



Amendment No. 1
to
Contract No. NA180000155
for
Group Pre-Paid Legal Plan
between
ARAG Services, LLC, a subsidiary of ARAG North America, Inc.
and the
City of Austin

1.0 The City hereby amends the above referenced contract with the following:

1.1 Add the employees of the Economic Development Corporation (EDC) as part of the Affiliated Employer Group (AEG), effective January 1, 2021.

2.0 The total contract amount is increased by \$0.00. The total contract authorization is recapped below:

Action	Action Amount	Total Contract Amount
Initial Term: 08/15/2018 – 12/31/2023	\$4,228,000.00	\$4,228,000.00
Amendment No. 1: Add EDC as part of the AEG, effective 1/1/2021 10/13/2020	\$0.00	\$4,228,000.00

3.0 MBE/WBE goals do not apply to this contract.

4.0 By signing this Amendment, the Contractor certifies that the vendor and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the GSA List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

5.0 All other terms and conditions remain the same.

BY THE SIGNATURES affixed below, this amendment is hereby incorporated into and made a part of the above-referenced contract.

Sign/Date:  11/13/2020

Printed Name: Ann Cosimano, General Counsel
Authorized Representative
ARAG Services, LLC, a subsidiary of ARAG
North America, Inc.
500 Grand Avenue, Suite 100
Des Moines, IA 50309
Ann.Cosimano@ARAGlegal.com
Lola.Ngatia@ARAGlegal.com

Sign/Date: Cyrenthia Ellis Digitally signed by Cyrenthia Ellis
DN: cn=Cyrenthia Ellis, o=City of Austin,
ou=Purchasing Office,
email=Cyrenthia.Ellis@austintexas.gov, c=US
Date: 2020.12.04 07:23:32 -0600

Cyrenthia Ellis
Procurement Manager
City of Austin
Purchasing Office
124 W. 8th Street, Ste. 310
Austin, TX 78701
Cyrenthia.Ellis@austintexas.gov

**Contract between the City of Austin ("City")
and
ARAG Services, LLC, a subsidiary of ARAG North America, Inc. ("Contractor")
for
a Group Pre-Paid Legal Plan
Contract Number NA180000155**

The City accepts the Contractor's Offer (as referenced in Section 1.1.3 below) for the above requirement and enters into the following Contract.

This Contract is between ARAG Services, LLC, a subsidiary of ARAG North America, Inc., having offices at 500 Grand Ave., Ste. 100, Des Moines, IA 50309, and the City, a home-rule municipality incorporated by the State of Texas, and is effective as of the date executed by the City ("Effective Date").

Capitalized terms used but not defined herein have the meanings given them in Solicitation Number RFP 5800 KDS3002.

1.1 This Contract is composed of the following documents:

- 1.1.1 This Contract
- 1.1.2 Exhibit A - The Best and Final Offer (BAFO) Rates and Additional Services
- 1.1.3 Exhibit B - The City's Solicitation, Request for Proposals RFP 5800 KDS3002, including all documents incorporated by reference
- 1.1.4 Exhibit C - ARAG Services, LLC, a subsidiary of ARAG North America, Inc.'s, Offer, dated 5/17/2018, including subsequent clarifications.

1.2 Order of Precedence. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

- 1.2.1 This Contract
- 1.2.2 Exhibit A - The Best and Final Offer (BAFO) Rates and Additional Services
- 1.2.3 Exhibit B - The City's Solicitation, as referenced in Section 1.1.2, including all documents incorporated by reference
- 1.2.4 Exhibit C - The Contractor's Offer as referenced in Section 1.1.3, including subsequent clarifications.

1.3 Term of Contract. The Contract shall commence upon execution, unless otherwise specified, and shall remain in effect for five (5) consecutive annual benefit terms, for a total of sixty (60) months, through December 31, 2023. Benefit terms are as follows:

January 1, 2019 – December 31, 2019

January 1, 2020 – December 31, 2020

January 1, 2021 – December 31, 2021

January 1, 2022 – December 31, 2022

January 1, 2023 – December 31, 2023

1.3.1 Upon expiration of the initial term or any period of extension, the Contractor agrees to hold over under the terms and conditions of this Contract for such a period of time as is reasonably necessary for the City to re-solicit and/or complete the deliverables due under the Contract (not to exceed 120 calendar days unless mutually agreed to in writing).

1.4 **Compensation.** Annual premium prices are firm and fixed for the five (5) consecutive annual benefit terms, for a total of sixty (60) months. The Contractor shall be paid a total Not-to-Exceed amount of \$4,228,000 for the total Contract term. The City will self-bill for premiums owed to the Contractor on a monthly basis. The City will calculate monthly fees owed to the Contractor for Covered Person's using enrollment information as of the first day of each month, provided by the City's Third-Party Administrator (TPA). The Contractor shall honor the enrollment dates of employees who enroll after the first day of each month and the Contractor will be paid for these persons beginning the following month.

1.5 **Quantity of Work.** There is no guaranteed quantity of work for the period of the Contract and there are no minimum enrollment quantities. Work will be on an as-needed basis as requested by the eligible Covered Person.

This Contract (including any Exhibits) constitutes the entire agreement of the parties regarding the subject matter of this Contract and supersedes all prior and contemporaneous agreements and understandings, whether written or oral, relating to such subject matter. This Contract may be altered, amended, or modified only by a written instrument signed by the duly authorized representatives of both parties.

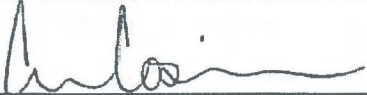
In witness whereof, the parties have caused a duly authorized representative to execute this Contract on the date set forth below.

**ARAG SERVICES, LLC A SUBSIDIARY
OF ARAG NORTH AMERICA, INC.**

CITY OF AUSTIN

Ann Cosimano

Printed Name of Authorized Person



Signature

General Counsel


Title:

8/15/2018

Date:

Cyrenthia Ellis, PMP, CTPM

Printed Name of Authorized Person



Signature

Procurement Manager

Title:

8/15/18

Date:

List of Exhibits

Exhibit A – Best and Final Offer (BAFO) Rates and Additional Services

Exhibit B – Request for Proposals RFP 5800 KDS3002

Exhibit C – ARAG Services, LLC, a subsidiary of ARAG North America, Inc. Offer dated 5/17/2018

Exhibit A
Best and Final Offer (BAFO)
RATE SHEET
Request for Proposal Number: RFP 5800 KDS3002
GROUP PRE-PAID LEGAL PLAN

VENDOR NAME: ARAG Services, LLC

Guaranteed Rates

Enrollment	CATEGORY	2019			2020			2021		
		Monthly Rate	Annual Premium	Annual Total for Enrollees	Monthly Rate	Annual Premium	Annual Total for Enrollees	Monthly Rate	Annual Premium	Annual Total for Enrollees
2,161	Employee Only	\$ 10.82	\$129.84	\$ 280,584.24	\$ 10.82	\$129.84	\$ 280,584.24	\$ 10.82	\$129.84	\$ 280,584.24
2,343	Employee & Family	\$ 14.70	\$176.40	\$ 413,305.20	\$ 14.70	\$176.40	\$ 413,305.20	\$ 14.70	\$176.40	\$ 413,305.20
Annual Premium Totals			\$ 306.24	\$ 693,889.44		\$ 306.24	\$ 693,889.44		\$ 306.24	\$ 693,889.44

2022			2023		
Monthly Rate	Annual Premium	Annual Total for Enrollees	Monthly Rate	Annual Premium	Annual Total for Enrollees
\$ 10.82	\$129.84	\$ 280,584.24	\$ 10.82	\$129.84	\$ 280,584.24
\$ 14.70	\$176.40	\$ 413,305.20	\$ 14.70	\$176.40	\$ 413,305.20
	\$ 306.24	\$ 693,889.44		\$ 306.24	\$ 693,889.44

Monthly rate shall be divisible by 2.

Rates contained herein are based on the following assumptions:

1. The rates are guaranteed regardless of actual enrollment.
2. The rates are guaranteed for the 5-year term.
3. The rates include all costs for the requirements listed in this RFP, including, but not limited to labor, materials, supplies, printing, travel, postage and all costs and fees including administrative burden for providing pre-paid legal.

Exhibit A
Best and Final Offer (BAFO)
RATE SHEET
Request for Proposal Number: RFP 5800 KDS3002
GROUP PRE-PAID LEGAL PLAN

CONFIRM IF THE FOLLOWING ITEMS ARE INCLUDED IN THE BAFO RATES

Coverage	Confirm Yes/No
ID Theft Coverage	Yes
Building Codes	Yes
Caregiving Services – Advice	Yes
Caregiving Services – Annual Check Up	Yes
Caregiving Services	Yes
Uncontested Child Custody/Child Support Agreement	Yes
Contested Child Custody/Child Support Agreement	Yes
Easement	Yes
Elder Law	Yes
General in Office – 4 hours	Yes
Home Equity Loan – Primary Residence	Yes
Insurance Disputes	Yes
Uncontested Post Decree Modification	Yes
Contested Post Decree Modification	Yes
Property Tax – Primary Residence	Yes
Restraining Order –Named Plan Member	Yes
Restraining Order – Plan Member	Yes
School Administrative Hearings	Yes
Social Security/Veterans/Medicare	Yes
Zoning and Variances	Yes
Enhanced Proposal Benefits in Attachment 10	Yes

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

NAME OF COMPANY: ARAG Services, LLC

Proposer must match current plan design. Optional services may be considered by the City of Austin.

Additional Services Proposed	Cost of Service
<ul style="list-style-type: none"> • Building Codes • Caregiving Services - Advice • Caregiving Services - Annual Check Up • Caregiving Services • Uncontested Child Custody/Child Support Agreement • Contested Child Custody/Child Support Agreement • Easement • Elder Law • General In Office - 4 hours • Home Equity Loan - Primary Residence • Insurance Disputes • Uncontested Post Decree Modification • Contested Post Decree Modification • Property Tax - Primary Residence • Restraining Order - Named Plan Member • Restraining Order - Plan Member • School Administrative Hearings • Social Security/Veterans/Medicare • Zoning and Variances <p>We're also offering General In Office Services - 4 hours, which covers legal services for any noncovered service, as long as it's not excluded.</p> <p>Details about each coverage follows.</p>	<p>Cost for the optional coverages listed: Employees only: \$1.54/month; \$18.48/annually Family: \$2.08/month; \$24.96/annually</p> <p>Sheet 2 (see Rate Sheet) includes the total rate for a plan that includes City of Austin's current plan design and the additional proposed services listed here.</p>

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Building Codes Legal services for a plan member in an administrative action for permit or code violations relating to the renovation and/or improvement of your existing primary residence.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$400* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	
<p>Caregiving Services - Advice Telephone access for you to obtain legal advice and consultation on how the law relates to your parents/grandparents legal matters and which actions may be taken.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: N/A</p>	
<p>Caregiving Services - Annual Check Up Legal services for you and your parent/grandparent to meet with an attorney on an annual basis. This annual meeting is to discuss the legal needs of your parent/grandparent and discuss any changes in their situation and potential legal implications. This benefit is limited to one usage per family per certificate year.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$80*</p>	

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Caregiving Services</p> <p><i>Reduced Fee Services</i> - Should your parents/grandparents legal matter require legal representation, Network Attorneys provide reduced fee services of at least 25% off their normal rate for most legal matters. Payment of the attorney fees is handled directly between the parent/grandparent and the Reduced Fee Network Attorney. Access to a Reduced Fee Network Attorney is subject to availability. You are encouraged to contact ARAG to determine proximity to a Reduced Fee Network Attorney within legal practice areas.</p> <p>Non-Network Attorney (Indemnity Benefit) Rate: N/A</p>	
<p><i>Caregiving Services, con't.</i></p> <p><i>Caregiver Support Services</i> - As a member, you have toll-free access to a Care Advocate who will:</p> <ul style="list-style-type: none"> • Answer your eldercare-related questions, assess eldercare need and help you develop a care plan. • Send you a customized information guide that contains lists of assisted living facilities, nursing homes or home health care agencies — including comparative quality-of-care ratings and reports on thousands of facilities and agencies — along with helpful eldercare information. • Give you access to the nation's most comprehensive eldercare database with more than 90,000 long term care providers. • Conduct searches to determine the availability and rates of assisted living facilities, nursing homes, home health care agencies and adult care providers. Advocate will negotiate discounts when available. <p>Plus, you will have access to the ElderAnswers Website which provides you online access to quality-of-care ratings and reports, direct access to the provider database, and a wide-range of eldercare information. As a member, you have access to a "go-to" guidebook providing you with the tools and resources needed to take a proactive approach in your caregiving role.</p>	

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Uncontested Child Custody/Child Support Agreement Legal services for a plan member for the creation of an initial uncontested child custody, child support, or visitation agreements. This benefit does not include the modification of current agreements.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$320*</p>	
<p>Contested Child Custody/Child Support Agreement - 8 hours Legal services for a plan member for the creation of an initial contested child custody, child support, or visitation agreements. This benefit does not include the modification of current agreements.</p> <p>In-Network Rate: Paid-in-Full up to 8 hours paid-in-full per covered event; Reduced Fee Benefit available from a Network Attorney beyond 8 hours Non-Network Attorney (Indemnity Benefit) Rate: \$640*</p>	
<p>Easement Legal services for a plan member in an administrative action regarding an easement on your primary residence.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$400* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Elder Law</p> <ul style="list-style-type: none"> • Initial advice for a plan member on the impact of your parent's/grandparent's personal legal matter on you. • Legal services for a plan member for the preparation and review of a deed where you are the grantee. • Legal services for a plan member for the preparation and review of a promissory note where you are the payee. • Legal services for a plan member for the review of your parent's/grandparent's personal legal documents, including estate planning documents where you have been named as an agent or executor/personal representative. <p>In-Network Rate: Paid-in-Full</p> <p>Non-Network Attorney (Indemnity Benefit) Rate:</p> <ul style="list-style-type: none"> • \$25/initial advice • \$40 per document 	
<p>General In Office Services - 4 Hours</p> <p>Covers legal services that are not otherwise covered or excluded by your ARAG plan.</p> <p>In-Network Rate: Paid-in-Full up to 4 hours per family per certificate year</p> <p>Non-Network Attorney (Indemnity Benefit) Rate: \$320</p> <p>Note: Here are a few examples of how members could use the 4-hour benefit:</p> <ul style="list-style-type: none"> • Trusts • Expungement • Protection of Inheritance Rights • Immigration • DWI 	

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Home Equity Loan - Primary Residence Legal services for a plan member for the preparation and review of home equity loans for your primary residence.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$160*</p>	
<p>Insurance Disputes Legal services for a plan member as a plaintiff or defendant relating to disputes with your auto, home and renters insurance carrier.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$800* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	
<p>Uncontested Post Decree Modification Legal services for a plan member for an uncontested motion brought by you to modify a final decree for child custody or child visitation.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$320*</p>	
<p>Contested Post Decree Modification - 8 hours Legal services for a plan member for a contested motion brought by you to modify a final decree for child custody or child visitation.</p> <p>In-Network: Up to 8 hours paid-in-full per covered event; Reduced Fee Benefit available from a Network Attorney beyond 8 hours Non-Network Attorney (Indemnity Benefit) Rate: \$640*</p>	

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Property Tax - Primary Residence Legal services for a plan member in an administrative action brought by you to reduce the property tax assessment on your primary residence.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$400* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	
<p>Restraining Order - Named Plan Member Legal services for the named plan member to obtain a restraining order.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$320*</p>	
<p>Restraining Order - Plan Member Legal services for the named plan member to obtain a restraining order when the opposing party is not a plan member under the same Certificate.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$320*</p>	
<p>School Administrative Hearings Legal services for a plan member in an administrative public or private formal school proceeding related to primary and secondary education regarding disabilities, special education and student policy violations.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$480* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Social Security/Veterans/Medicare Legal services for a plan member in an administrative legal dispute arising out of Social Security, Veterans, Medicare or Medicaid benefits.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$400* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	
<p>Zoning and Variances Legal services for a plan member in an administrative action related to a zoning change, variance, or an eminent domain proceeding involving your primary residence.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$400* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	
*Non-Network Attorney Indemnity Benefits are up to the stated amount.	
**Trial Indemnity Benefits are (\$300 per 1/2 day of Trial time) up to the stated amount.	
**Trial Indemnity Benefits are (\$400 per 1/2 day of Trial time) up to the stated amount.	



CITY OF AUSTIN, TEXAS
Purchasing Office
REQUEST FOR PROPOSAL (RFP)
OFFER SHEET

SOLICITATION NO: RFP 5800 KDS3002

DATE ISSUED: 5/7/2018

REQUISITION NO.: 18042700467

COMMODITY CODE: 96149

**FOR CONTRACTUAL AND TECHNICAL
ISSUES CONTACT THE FOLLOWING
AUTHORIZED CONTACT PERSON:**

PRIMARY: Kimberley Scannell

Procurement Specialist II

Phone: (512) 974-2261

E-Mail: kimberley.scannell@austintexas.gov

SECONDARY: Cyrenthia Ellis

Procurement Manager

Phone: (512) 974-1709

E-Mail: cyrenthia.ellis@austintexas.gov

COMMODITY/SERVICE DESCRIPTION:

Group Pre-Paid Legal Plan

PRE-PROPOSAL CONFERENCE CALL DATE AND TIME:

May 15, 10:00 AM

CALL IN INFORMATION: 512-974-9300, **CODE:** 968108

PROPOSAL DUE PRIOR TO:

Thursday, May 24, 2018 - 2:00 PM

PROPOSAL OPENING TIME AND DATE:

Thursday, May 24, 2018 - 3:00 PM

LOCATION: MUNICIPAL BUILDING, 124 W 8th STREET
RM 308, AUSTIN, TEXAS 78701

LIVE SOLICITATION OPENING ONLINE: For RFP's, only the
names of respondents will be read aloud

For information on how to attend the Solicitation Closing online,
please select this link:

<http://www.austintexas.gov/departments/bid-opening-webinars>

When submitting a sealed Offer and/or Compliance Plan, use the proper address for the type of service desired, as shown below:

Address for US Mail (Only)	Address for FedEx, UPS, Hand Delivery or Courier Service
City of Austin	City of Austin, Municipal Building
Purchasing Office-Response Enclosed for Solicitation # RFP 5800 KDS3002	Purchasing Office-Response Enclosed for Solicitation # RFP 5800 KDS3002
P.O. Box 1088	124 W 8 th Street, Rm 308
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

NOTE: Offers must be received and time stamped in the Purchasing Office prior to the Due Date and Time. It is the responsibility of the Offeror to ensure that their Offer arrives at the receptionist's desk in the Purchasing Office prior to the time and date indicated. Arrival at the City's mailroom, mail terminal, or post office box will not constitute the Offer arriving on time. See Section 0200 for additional solicitation instructions.

All Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered.

SUBMIT 1 SIGNED ORIGINAL PAPER RESPONSE AND 1 ELECTRONIC COPY OF YOUR RESPONSE ON A FLASH DRIVE (Include a single scanned file of the original response as well as the Excel workbook for Attachments 2-10)

*****SIGNATURE FOR SUBMITTAL REQUIRED ON PAGE 3 OF THIS DOCUMENT*****

EXHIBIT B

This solicitation is comprised of the following required sections. Please ensure to carefully read each section including those incorporated by reference. By signing this document, you are agreeing to all the items contained herein and will be bound to all terms.

SECTION NO.	TITLE	PAGES
0100	STANDARD PURCHASE DEFINITIONS	*
0200	STANDARD SOLICITATION INSTRUCTIONS	*
0300	STANDARD PURCHASE TERMS AND CONDITIONS	*
0400	SUPPLEMENTAL PURCHASE PROVISIONS	6
0500	SCOPE OF WORK	4
0600	PROPOSAL PREPARATION INSTRUCTIONS & EVALUATION FACTORS	3
0605	LOCAL BUSINESS PRESENCE IDENTIFICATION FORM – Complete and return	2
0610	RATE SHEET – Complete and return	
0800	NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION–Complete and return	2
0805	NON-SUSPENSION OR DEBARMENT CERTIFICATION	*
0810	NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING CERTIFICATION	*
0835	NONRESIDENT BIDDER PROVISIONS – Complete and return	1
0840	SERVICE-DISABLED VETERAN BUSINESS ENTERPRISE – Complete and return	1
0900	SUBCONTRACTING/SUB-CONSULTING UTILIZATION FORM – Complete & return	1
0905	SUBCONTRACTING/SUB-CONSULTING UTILIZATION PLAN – Complete and return if applicable	3
Exhibit 1	ENROLLMENT HISTORY	1
Exhibit 2	CERTIFICATE OF COVERAGE	21
Exhibit 3	CITY OF AUSTIN 2018 EMPLOYEE BENEFITS GUIDE	64
Exhibit 4	CITY OF AUSTIN CLAIM UTILIZATION REPORT 2013 - 2016	1
Attachment 1	HIPAA BUSINESS ASSOCIATE AGREEMENT	4
Attachment 2	EXCEPTIONS TO THE SOLICITATION – Additional pages may be added	1
Attachment 3	CUSTOMER SERVICE INFORMATION – Additional pages may be added	1
Attachment 4	ACCOUNT TEAM INFORMATION – Additional pages may be added	1
Attachment 5	BUSINESS ORGANIZATION – Additional pages may be added	1
Attachment 6	PERFORMANCE MEASURES LIQUIDATED DAMAGES – Additional pages may be added	1
Attachment 7	BENEFITS AND COVERAGE AMOUNTS – Additional pages may be added	9
Attachment 8	SCOPE OF WORK RESPONSE FORM – Additional pages may be added	6
Attachment 9	LIST OF ATTORNEYS – CENTRAL TEXAS – Additional pages may be added	4
Attachment 10	ADDITIONAL SERVICES – Additional pages may be added	1

*** Documents are hereby incorporated into this Solicitation by reference, with the same force and effect as if they were incorporated in full text. The full text versions of the * Sections are available on the Internet at the following online address:**

http://www.austintexas.gov/financeonline/vendor_connection/index.cfm#STANDARDBIDDOCUMENTS

EXHIBIT B

If you do not have access to the Internet, you may obtain a copy of these Sections from the City of Austin Purchasing Office located in the Municipal Building, 124 West 8th Street, Room #308 Austin, Texas 78701; phone (512) 974-2500. Please have the Solicitation number available so that the staff can select the proper documents. These documents can be mailed, expressed mailed, or faxed to you.

EXHIBIT B

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Legal Name: _____

Company Address: _____

City, State, Zip: _____

Federal Tax ID No. _____

Printed Name of Officer or Authorized Representative: _____

Title: _____

Signature of Officer or Authorized Representative: _____

Date: _____

Email Address: _____

Phone Number: _____

*** Proposal response must be submitted with this signed Offer sheet to be considered for award**

**CITY OF AUSTIN
PURCHASING OFFICE
STANDARD PURCHASE DEFINITIONS**

Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

1. **Addendum** - a written instrument issued by the Contract Awarding Authority that modifies or clarifies the Solicitation prior to the Due Date. "Addenda" is the plural form of the word.
2. **Alternate Offers** - multiple Offers with substantive variations from the same Offeror in response to a Solicitation.
3. **Appropriate, Appropriated, or Appropriation** - the adoption by the City Council of a budget for a fiscal year that includes payments to be made under the Contract during the respective fiscal year.
4. **Authorized City Representative** - a person designated by the City Manager to act for the Contract Awarding Authority.
5. **Best Offer** - the best evaluated Offer in response to a Request for Proposals or Request for Qualification Statements.
6. **Best Offeror** - the Offeror submitting the Best Offer.
7. **Bid** - a complete, properly signed response to an Invitation for Bid, which if accepted, would bind the Bidder to perform the resultant Contract.
8. **Bidder** - a person, firm, or entity that submits a Bid in response to an Invitation for Bid. Any Bidder may be represented by an agent after submitting evidence demonstrating the agent's authority. The agent cannot certify as to his own agency status.
9. **Bid Guaranty** – a form of security assuring that the bidder (a) will not withdraw the Bid within the period specified for acceptance, and (b) will execute a Contract and furnish required bonds and any necessary insurance within the time specified in the Solicitation, unless a longer time is allowed by the City. The guarantee will be returned to the Bidder upon execution of a Contract.
10. **Bid Sheet** - a document, signed and dated by a Bidder, containing unit and extended bid prices for all goods and/or services, identified by item numbers and descriptions, for which Bids are being submitted
11. **Business Entity** – any entity recognized by law through which business is conducted, including a sole proprietorship, partnership, or corporation.
12. **Central Purchase Order (CT)** - a financial system document issued by the Contract Awarding Authority to encumber funds to pay for the deliverables identified in a Contract.
13. **City** - the City of Austin, a Texas home-rule municipal corporation.
14. **Compliance Plan** - is defined in chapter 2-9 of the City Code.
15. **Construction** - the construction, repair, rehabilitation, alteration, conversion or extension of buildings, parks, utilities, streets or other improvements or alterations to real property.
16. **Contract** - a binding legal agreement between the City and the Offeror. The Contract includes, without limitation, the Solicitation, the Offer submitted in response to the Solicitation, the Contract award, the Standard Purchase Terms and Conditions, Supplemental Terms and Conditions if any, Specifications, and any addenda and amendments thereto. Any inconsistency or conflict in the Contract documents shall be resolved by giving precedence in the following order:

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- A. any exceptions to the Offer accepted in writing by the City
 - B. the Supplemental Purchase Terms and Conditions
 - C. the Standard Purchase Terms and Conditions
 - D. the Offer, exhibits, and attachments; within the Offer, drawings (figured dimensions shall govern over scaled dimensions) will take precedence over specifications or scope of work.
17. **Contract Awarding Authority** - a City department authorized to enter into Contracts on behalf of the City.
18. **Contractor/Consultant** - a person, firm or entity that supplies or provides goods and/or services to the City by Contract.
19. **Controlling Interest** means: (1) an ownership interest or participating interest in a business entity by virtue of units, percentage, shares, stocks or otherwise that exceeds 10 percent; (2) membership on the board of directors or other governing body of a business entity of which the board or other governing body is composed of not more than 10 members; or (3) service as an officer of a business entity that has four or fewer officers, or service as one of the four officers most highly compensated by a business entity that has more than four officers.
20. **Deliverables** - the goods, products, materials, and/or services to be provided to the City under a Purchase Order, Contract, or Master Agreement.
21. **Delivery Order** - a release against a Master Agreement authorizing delivery of goods and/or performance of services. A financial system document issued by the Department to encumber funds to pay for the deliverables.
22. **Disadvantaged Business Enterprise** - is defined in 49 Code of Federal Regulation Part 26 or other applicable federal regulations.
23. **Due Date** - the date and time specified for receipt of Bids, Proposals, Qualification Statements, Quotations, Responses, Submittals and Compliance Plans.
24. **Goods** - supplies, materials, or equipment.
25. **Highest Responsible Offer** - the highest Offer meeting all requirements of the specifications, terms, and conditions of the Invitation for Bid-Sale or Request for Quotation-Sale.
26. **Highest Responsible Offeror** - the Offeror submitting the "Highest Responsible Offer."
27. **Interested Party** – a person who has a Controlling Interest in a Business Entity with whom the City contracts or who actively participates in facilitating the Contract or negotiating the terms of the Contract, including a broker, intermediary, adviser, or attorney for the Business Entity.
28. **Invitation for Bid (IFB)** - a Solicitation requesting pricing for a specified Good or Service which has been advertised for Bid in a newspaper and/or on the Internet.
29. **Late Offer** - a Bid, Proposal, Quote, Response, or Submittal that is received after the Due Date and time specified in the Solicitation.
30. **Lowest Responsible Offer** - the Offer meeting all requirements of the specifications, terms, and conditions of the Invitation for Bid or Request for Quotation resulting in the lowest cost to the City in a total cost concept or based solely on price, taking into consideration the financial and practical ability of

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the Vendor to perform the Contract, past performance of the Vendor, and compliance with all City ordinances concerning the purchasing process.

31. **Lowest Responsible Offeror** - the Offeror submitting the Lowest Responsible Offer.
32. **Master Agreement** - a term contract that is used when the total quantity required cannot be definitely fixed, but can be stated as an estimate or within maximum and minimum limits with deliveries on demand. A Master Agreement does not create a financial obligation.
33. **Minority-Owned Business** - is defined in chapter 2-9 of the City Code.
34. **Non-Professional Services** - services performed that are not of a professional nature such as lawn care, security, janitorial, etc.
35. **Offer** - a complete signed response to a Solicitation including, but not limited to, an Invitation for Bid, a Request for Proposal, a Request for Qualification Statements, or a Request for Quotation.
36. **Offeror** - a person, firm, or entity that submits an Offer in response to a City Solicitation. Any Offeror may be represented by an agent after submitting evidence demonstrating the agent's authority. The agent cannot certify as to his own agency status. Includes Bidders, Proposers, Quoters, Contractors and Consultants.
37. **Pre-Bid / Proposal / Quote / Response / Submittal Conference** - a conference conducted by the Contract Awarding Authority, held in order to allow Offerors and Vendors to ask questions about the proposed Contract and particularly the Contract specifications.
38. **Professional Services** - services that use skills that are predominantly mental or intellectual, rather than physical or manual such as accounting, architecture, land surveying, law, medicine, optometry, professional engineering, etc.
39. **Proposal** - a complete, properly signed response to a Request for Proposals, which if accepted, would bind the Proposer to perform the resultant Contract.
40. **Proposal Guaranty** - a form of security assuring that the Proposer (a) will not withdraw the Proposal within the period specified for acceptance, and (b) will execute a Contract and furnish required bonds and any necessary insurance within the time specified in the Solicitation, unless a longer time is allowed by the City. The guarantee will be returned to the Proposer upon execution of a Contract.
41. **Proposer** - a person, firm or entity that submits a Proposal in response to a Request for Proposals. Any Proposer may be represented by an agent after submitting evidence demonstrating the agent's authority. The agent cannot certify as to his own agency status.
42. **Purchase Order (PO)** - an order placed by a City department for the purchase of Goods and/or Services written on the City's standard Purchase Order form and which, when accepted by the Vendor becomes a Contract. The Purchase Order is the Vendor's authority to deliver and invoice the City for Goods and/or Services specified, and the City's commitment to accept the Goods and/or Services for an agreed upon price.
43. **Purchasing Office** - refers to the Purchasing Office in the Financial and Administrative Services Department of the City.
44. **Quote** - a complete, properly signed response to a Request for Quotation, which if accepted, would bind the Offeror to perform the resultant Contract.

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- 45. **Quoter** - a person, firm or entity that submits a Quote in response to a Request for Quotations. Any Quoter may be represented by an agent after submitting evidence demonstrating the agent's authority. The agent cannot certify as to his own agency status.
- 46. **Request for Information (RFI)** - a solicitation used to obtain "state of the art" information on goods and/or services for informational purposes only.
- 47. **Request for Interest (RFINT)** - a solicitation used to identify interest in a City requirement.
- 48. **Request for Proposal (RFP)** - a solicitation used to acquire goods and/or services when a clearly defined scope of work or specification is not available.
- 49. **Request for Qualification Statements (RFQS)** - a solicitation used to acquire professional services as defined by the State of Texas Government Code, Chapter 2254.
- 50. **Request for Quotation (RFQ)** - a solicitation used to acquire goods and/or services with a total dollar value less than the State of Texas competitive bidding amount.
- 51. **Resident Bidder** - a person, firm, or entity whose principal place of business is in the State of Texas, including a Contractor whose ultimate parent company or majority owner has its principal place of business in the State of Texas.
- 52. **Response** - a complete signed reply to a Solicitation including, but not limited to a Request for Information and/or a Request for Interest.
- 53. **Response Guaranty** – a form of security assuring that the Offeror (a) will not withdraw the Offer within the period specified for acceptance, and (b) will execute a Contract and furnish required bonds and any necessary insurance within the time specified in the Solicitation, unless a longer time is allowed by the City. The guarantee will be returned to the Offeror upon execution of a Contract.
- 54. **Responsible** - refers to the financial and practical ability of the Offeror to perform the Contract and takes into consideration resources, expertise, and past performance of the Offeror as well as compliance with all City ordinances concerning the purchasing process.
- 55. **Responsive** - meeting all the requirements of a Solicitation.
- 56. **Services** - include all work or labor performed for the City on an independent Contractor basis other than construction.
- 57. **Solicitation** - as applicable, includes Invitation for Bid, Invitation for Bid - Sale, Request for Proposal, Request for Qualification Statements, Request for Quotation, Request for Quotation – Sale, Request for Information, Request for Interest, or such other request as defined by the City.
- 58. **Subcontractor/Subconsultant** - a person, firm, or entity providing goods and/or services to a prime Contractor / Consultant to be used in the performance of the prime Contractor/Consultant's obligations under a Contract.
- 59. **Sub-Subcontractor/Sub-Subconsultant** - a person, firm or entity providing goods and/or services to a Subcontractor/Subconsultant to be used in the performance of the Subcontractor/Subconsultant's obligations under a Contract.

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- 60. **Unbalanced Offer** - an Offer that is based on prices which are significantly less than cost for some items and significantly more than cost for others.
- 61. **Vendor** - a person, firm, or entity that sells Goods and/or Services.
- 62. **Woman-Owned Business** - is defined in chapter 2-9 of the City Code.

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1. **VENDOR REGISTRATION:** All Vendors, Contractors, Subcontractors, Consultants, and Subconsultants desiring to sell to the City must be registered to do business with the City prior to submitting an Offer to a City solicitation. Prime Contractors/Consultants are responsible for ensuring that their Subcontractors/Subconsultants are registered. Registration can be done through the City's online vendor registration system. [Log onto http://www.austintexas.gov/financeonline/vendor_connection/index.cfm](http://www.austintexas.gov/financeonline/vendor_connection/index.cfm) and follow the directions.
2. **EQUAL OPPORTUNITY:**
 - A. **Equal Employment Opportunity:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Offer submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.
 - B. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory practice against individuals with disabilities as defined in the ADA, including but not limited to: employment, accessibility to goods and services, reasonable accommodations, and effective communications.
3. **MINORITY AND WOMEN OWNED BUSINESS ENTERPRISE (MBE/WBE) PROCUREMENT PROGRAM:**

All City procurements are subject to the City's Minority-Owned and Women-Owned Business Enterprise Procurement Program found at Chapters 2-9A, 2-9B, 2-9C, and 2-9D of the City Code. The Program provides Minority-Owned and Women-Owned Business Enterprises (MBEs/WBEs) full opportunity to participate in all City contracts. Goals for MBE/WBE participation are stated in each Solicitation and differ from contract to contract based on the type of contract, the availability of MBEs/WBEs to perform the functions of the contract, and other factors. Information on achieving the goals or documenting good faith efforts to achieve the goals are contained in the MBE/WBE Program Package contained in Section 0900 of the Solicitation. When goals are established, Offerors are required to complete and return the MBE/WBE Compliance Plan with their Offer. If no goals are established, Offerors are required to submit the No Goals Utilization Plan. If a Compliance Plan or No Goals Utilization Plan is not submitted prior to the date and time set forth in the Solicitation, the Offer will not be accepted for consideration.
4. **SOLICITATION:**
 - A. **Review of Documents:** Offerors are expected to examine all documents that make up the Solicitation. Offerors shall promptly notify the City of any omission, ambiguity, inconsistency or error that they may discover upon examination of the Solicitation. Offerors must use a complete Solicitation to prepare Offers. The City assumes no responsibility for any errors or misrepresentations that result from the use of incomplete Solicitations.
 - B. **Location of Documents:** Solicitations are issued by the Purchasing Office. The location and phone number for the Purchasing Office are specified in the advertisement and in the Solicitation.
5. **WRITTEN EXPLANATIONS OR CLARIFICATIONS:** Any material information given to one Offeror concerning a Solicitation will be furnished as an Addendum to all Offerors who have been issued a Solicitation. Any explanation, clarification, interpretation or change to the Solicitation made in any other manner is not binding upon the City, and Offerors shall not rely upon such explanation, clarification, interpretation or change. Oral explanations or instructions given before the award of the Contract are not binding. Requests for explanations, clarifications or interpretations may be faxed to the City at (512) 974-2388. The fax must clearly identify the buyer's name and solicitation number.

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6. **PRE-BID / PROPOSAL / RESPONSE CONFERENCE:** If a Pre-Bid/Proposal/Response conference is mandatory, the time, place and mandatory nature of the conference will be specified on the cover page of the Solicitation. If a Pre-Bid/Proposal/Response Conference is mandatory and is not attended by an Offeror, their Offer will be rejected.
7. **PREPARATION OF OFFERS:**
- A. **Alternate Offers:** Alternate Offers will be rejected unless the Solicitation authorizes the submission of Alternates.
 - B. **Bid Preparation Costs:** All costs associated with preparing a Bid in response to a Solicitation shall be borne by the Bidder.
 - C. **Bid / Proposal / Response Guaranty or Bond:** When required by the Solicitation, an Offer must be accompanied by a Bid/Proposal/Response Guaranty or a Bid / Proposal / Response Bond with Power of Attorney attached, issued by a solvent surety authorized under laws of the State of Texas and acceptable to the City.
 - D. **Brand Name or Equal:** If the Solicitation indicates brand name or "equal" products are acceptable, the Offeror may propose an "equal" product but must be prepared to demonstrate those features that render it equal. Final determination of a product as an "equal" remains with the City.
 - E. **Delivery Time:** Delivery time, if stated as a number of days, will be based on calendar days. Time is of the essence in any City purchase. If the indicated date cannot be met or the date is not indicated, the Offeror shall state its best delivery time.
 - F. **Exceptions:** Exceptions that are taken to any portion of the Solicitation may jeopardize acceptance of the Offer.
 - G. **Free on Board (FOB) Point:** The Offeror should quote its lowest and best price, with the goods delivered to the place specified, at the Offeror's expense and risk, and there tender delivery to the City.
 - H. **Payment:** Payment terms shall be net 30 days.
 - I. **Prices:** Offers shall be firm unless otherwise specified. Pricing shall be entered on the Bid/Quote Sheet (if applicable) in ink. Totals shall be entered in the "Total Price" column of the Bid/Quote Sheet. In the event of a discrepancy between unit price and extended price, the unit price shall govern.
 - J. **Proposal Preparation Costs:** All costs directly or indirectly related to preparation of a Response to an RFP or any oral presentation required to supplement and/or clarify a Proposal which may be required by the City shall be the sole responsibility of the Proposer.
 - K. **Proprietary Information:**
 - i. All material submitted to the City becomes public property and is subject to the Texas Public Information Act, Chapter 552, Texas Government Code, upon receipt.
 - ii. If an Offeror does not desire proprietary information in the Offer to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General.
 - iii. Failure to identify proprietary information will result in all unmarked sections being deemed nonproprietary and available upon public request.

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- iv. For Bids submitted in response to an Invitation for Bids (IFB), the City will not consider any requests to keep the contents of a Bid Sheet Proprietary or Confidential.
- L. **Signature:** The Offeror must sign each document in the Solicitation requiring a signature. Any change made to the Offer must be initialed by the Offeror.
- M. **Taxes:** Purchases of Goods or Services for City use are usually exempt from City, State, and most Federal Taxes. Offers should not include exempted taxes. The successful Offeror should request a Tax Exemption Certificate from the Purchasing Office. Under no circumstances shall the City be liable to pay exempt taxes under any Contract.
- N. **Anti-Lobbying and Procurement:** Article 6, Chapter 2-7, City Code, amended December 6, 2011, prohibits lobbying activities or representations by Offerors between the date that the Solicitation is issued and the date a Contract is executed.
- i. Definitions
- (1) **Agent:** a person authorized by a respondent to act for or in place of respondent, including a person acting at the request of respondent, a person acting with the knowledge and consent of a respondent, or a person acting with any arrangement, coordination, or direction between the person and the respondent.
 - (2) **Authorized Contact Person:** the person identified in a City Solicitation as the contact regarding the solicitation, or the authorized contact person's designee during the course of the no-contact period.
 - (3) **City Employee:** a person employed by the City.
 - (4) **City Official:** the mayor, members of the City Council, municipal court judges (including substitute judges), city manager, assistant city managers, city clerk, deputy city clerk, city attorney, deputy city attorney, all department heads or deputy department heads, whether such person is salaried, hired or elected, and all other persons holding positions designated by the City Charter. City official, unless otherwise expressly defined, includes individuals appointed by the mayor and city council to all City commissions, committees, boards, task forces, or other City bodies unless specifically exempted from this chapter by the city council.
 - (5) **Director:** the director of a department to which the Purchasing Officer has delegated authority for enforcing this Chapter.
 - (6) **No-Contact Period:** the period of time from the date of issuance of the Solicitation until a Contract is executed. If the City withdraws the Solicitation or rejects all Responses with the stated intention to reissue the same or similar Solicitation for the same or similar project, the no-contact period continues during the time period between the withdrawal and reissue.
 - (7) **Response:** a complete signed offer to a Solicitation.
 - (8) **Respondent:** a person submitting an offer to a City solicitation including a bidder, a quoter, responder, offeror, or a proposer. The term "respondent" also includes:
 - (a) an owner, board member officer, employee, contractor, subsidiary, joint enterprise, partnership, agent, lobbyist, or other representative of a respondent;
 - (b) a person or representative of a person that is involved in a joint venture with the respondent, or a subcontractor in connection with the respondent's response; and
 - (c) a respondent who has withdrawn a response or who has had a response rejected or disqualified by the City.
 - (9) **Representation:** a communication related to a response to a council member, official, employee, or City representative that is intended to or that is reasonably likely to:
 - (a) provide information about a Response;
 - (b) advance the interests of the Respondent;
 - (c) discredit the Response of any other Respondent;
 - (d) encourage the City to withdraw the Solicitation;

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- (e) encourage the City to reject all of the Responses;
 - (f) convey a complaint about a particular Solicitation; or
 - (g) directly or indirectly ask, influence, or persuade any City Official, City Employee, or body to favor or oppose, recommend or not recommend, vote for or against, consider or not consider, or take action or refrain from taking action on any vote, decision, or agenda item regarding the Solicitation.
 - (10) **Solicitation**: an opportunity to compete to conduct business with the City that requires City Council approval under City Charter Article VII Section 15 (Purchase Procedure).
- ii. Restrictions on Contacts:
- (1) During a no-contact period, a Respondent shall communicate only through the Authorized Contact Person.
 - (2) During the no-contact period, a Respondent may not make a representation to a City Official or to a City Employee other than to the Authorized Contact Person. This prohibition also applies to a vendor that communicates and then becomes a Respondent.
 - (3) The prohibition of representation during the no-contact period applies to a representation initiated by a Respondent, and to a representation made in response to a communication initiated by a City Official or a City Employee other than the Authorized Contact Person.
 - (4) If the City withdraws a Solicitation or rejects all Responses with a stated intention to reissue the same or similar Solicitation for the same or similar project, the no-contact period shall expire after the ninetieth day after the date the Solicitation is withdrawn or all Responses are rejected if the Solicitation has not been reissued during the 90-day period.
 - (5) For a single vendor award, the no-contact period shall expire when the first of the following occurs: contract is executed or Solicitation is cancelled.
 - (6) For a multiple vendor award, the no-contact period shall expire when the last of the following occurs: all contracts are executed, negotiations have been fully terminated, or the ninetieth day after the Solicitation is cancelled.
 - (7) The Purchasing Officer may allow Respondents to make representations to City Employees or City Representatives in addition to the Authorized Contact Person for a Solicitation that the Purchasing Officer finds must be conducted in an expedited manner; an expedited Solicitation is one conducted for reasons of health or safety under the shortest schedule possible with no extensions. The Purchasing Officer's finding and additional City Employees or City representatives who may be contacted must be included in the Solicitation documents.
 - (8) Representations to an independent contractor hired by the City to conduct or assist with a Solicitation will be treated as representations to a City Employee.
 - (9) A current employee, director, officer, or member of a Respondent, or a person related within the first degree of consanguinity or affinity to a current employee, director, officer or member of a Respondent, is presumed to be an Agent of the Respondent for purposes of making a representation. This presumption is rebuttable by a preponderance of the evidence as determined by the Purchasing Officer.
 - (10) A Respondent's representative is a person or entity acting on a Respondent's behalf with the Respondent's request and consent. For example, a Respondent may email their membership list and ask members to contact Council Members on the Respondent's behalf. The members are then acting per Respondent's request and with their consent, and the members have become Respondent representatives.
- iii. Allowed Representation:
- (1) If City seeks additional information from Respondent, the Respondent shall submit the representation in writing only to the Authorized Contact Person. The Authorized Contact Person will then distribute the written representation in accordance with the terms of the particular Solicitation. A Respondent cannot amend or add information to a Response after the Due Date.
 - (2) If Respondent wishes to send a complaint to the City, the Respondent shall submit the complaint in writing only to the Authorized Contact Person. The Authorized Contact Person shall distribute a complaint regarding the process to members of the City Council or members

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of the City board, to the Director of the department that issued the Solicitation, and to all Respondents of the particular Solicitation. However, the Purchasing Officer shall not permit distribution of any complaint that promotes or disparages the qualifications of a Respondent, or that amends or adds information to a Response. A determination of what constitutes promoting or disparaging the qualifications of a respondent or constitutes amending or adding information is at the Purchasing Officer's sole discretion. Bid protests are not subject to the subsection. Documents related to a bid protest may not be forwarded to Council under this subsection.

- (3) If a Respondent submits a written inquiry regarding a Solicitation, the Authorized Contact Person will provide a written answer and distribute both the inquiry and answer to all Respondents on the Solicitation.
 - (4) If a Respondent does not receive a response from the Authorized Contact Person, the Respondent may contact the Purchasing Officer.
 - (5) A Respondent may ask a purely procedural question, for example, a question regarding the time or location of an event, or where information may be obtained, of a City Employee other than the Authorized Contact Person. This section does not permit a Respondent to make suggestions or complaints about the contract process that constitutes a representation to a City Employee other than the Authorized Contact Person. Notwithstanding this subsection, a Respondent may not ask a procedural question of a Council member, a Council members' aide, or of a City board member except in a meeting held under the Texas Government Code, Chapter 551 (Open Meetings Act).
 - (6) This Article allows representations:
 - (a) made at a meeting convened by the Authorized Contact Person, including meetings to evaluate Responses or negotiate a contract;
 - (b) required by Financial Services Department protest procedures for vendors;
 - (c) made at a Financial Services Department protest hearing;
 - (d) provided to the Small & Minority Business Resources Department in order to obtain compliance with Chapter 2-9 A-D (the Minority-Owned and Women-Owned Business Enterprise Procurement Program);
 - (e) made to the City Risk Management coordinator about insurance requirements for a Solicitation;
 - (f) made in public at a meeting held under Texas Government Code, Chapter 551 (Open Meetings Act); or
 - (g) made from a Respondent's attorney to an attorney in the Law Department in compliance with Texas Disciplinary Rules or Professional Conduct.
 - (7) Nothing in this article prohibits communication regarding the Solicitation between or among City Officials or City Employees acting in their official capacity.
 - (8) A contribution or expenditure as defined in Chapter 2-2 (Campaign Finance) is not a representation.
- iv. **Contract Voidable:** If a contract is awarded to a Respondent who has violated these AntiLobbying & Procurement provisions, the contract is voidable by the City.
 - v. **Debarment:**
 - (1) If a Respondent has been disqualified under these provisions more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Respondent from the sale of goods or services to the City for a period not to exceed three (3) years, provided the Respondent is given written notice and a hearing in advance of the debarment.

8. **SUBMISSION OF OFFERS:** Offerors are required to submit an executed original and copies of the Offer as specified on the Offer Sheet of the Solicitation.

- A. **Documents required with Offer:** Submit the following documents with the Offer, as applicable, prior to the Due Date (**SEE SECTIONS 0400, 0500 and 0600 IN THE SOLICITATION FOR ADDITIONAL REQUIRED INFORMATION**). Failure to submit the documents may be grounds to reject the Offer:

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- i. Cover Page, Offer Sheet signed by an authorized representative; ii. Section 0600, Bid/Quote Sheet or Offer, as applicable; iii. Section 0605, Local Business Presence Identification, if applicable;
- iv. Section 0700, Reference Sheet, as applicable ;
- v. Sections 0835 – Non-Resident Bidder Provisions;
- vi. 0815, Living Wage and Benefits Contractor Certification, if applicable;
- vii. Section 0900, MBE/WBE Procurement Program Package;
- viii. Bid/Proposal Guaranty, if applicable; and ix.. any other document included in the Solicitation requiring completion or execution by the Offeror.

All other pages in the Solicitation should be retained by the Offeror.

- B. **Mailing:** Offers and Compliance Plans (when required by the Solicitation), must be returned in a sealed envelope or container marked on the outside with the:

**Offeror's Name & Address
Solicitation Number
Due Date and Time**

- i. If a MBE/WBE Compliance Plan is required, it may be submitted with the sealed Offer or in a separate sealed envelope. If the Compliance Plan is included with the Offer, the outside of the envelope must indicate that the Compliance Plan is included. If the Compliance Plan is submitted in a separate envelope, the outside of the envelope must identify the contents as the "Compliance Plan" and must also include the Offeror's name & address, the Solicitation number, and the Due Date and Time. If a Compliance Plan is required but is not submitted prior to the time set forth in the Solicitation, the Offer will not be accepted for consideration.
- ii. When sending an Offer and/or Compliance Plan, use the proper address as shown below:

Address for US Mail (Only)	Address for Fedex, UPS, Hand Delivery or Courier Service
City of Austin	City of Austin, Municipal Building
Purchasing Office-Response Enclosed for Solicitation #	Purchasing Office-Response Enclosed for Solicitation #
P.O. Box 1088	124 W 8 th Street, Rm 310
Austin, Texas 78767-8845	Austin, Texas 78701
	Reception Phone: (512) 974-2500

Note: Offers (including Compliance Plans) that are not submitted in a sealed envelope or container will not be considered.

- iii. Unless authorized in the Solicitation, email, facsimile, or electronic Offers will not be accepted.

- C. **Addendum:** Receipt of an Addendum should be acknowledged by signing and returning the Addendum with the Offer or under separate cover prior to the Due Date. The Addendum should be returned with the Offeror's name, address, the Solicitation number, and the Due Date and Time. If the elements covered in the addendum directly impact cost and the addendum is not returned before the Due Date and Time, the offer will be disqualified.

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- D. **Acceptance of Offers:** Offers must be received and time stamped at the receptionist's desk in the Purchasing Office prior to the Due Date and Time. The time stamp clock on the receptionist's desk in the Purchasing Office is the official time of record and is verified daily with the local time service at (512) 476-7744. It is the sole responsibility of the Offeror to ensure timely delivery of the Offer. The City will not be responsible for failure of service on the part of the U.S. Postal Office, courier companies, or any other form of delivery service chosen by the Offeror.
- E. **Late Offers:** All Offers received after the Due Date and Time are considered late and will be returned to the Offeror. It is the responsibility of the Offeror to ensure that their Offer arrives at the proper location by the time and date indicated. Arrival at the City's mailroom, mail terminal, or post office box will not constitute the Offer arriving on time. Late Offers will be rejected unless the Purchasing Office, at its sole discretion, determines that the City's misdirection or mishandling was the sole or main cause for the Offer's late receipt at the designated location.
- F. **Rejection of Offers:** The City reserves the right to reject any or all Offers and to waive any minor informality in any Offer or solicitation procedure (a minor informality is one that does not affect the competitiveness of the Offer).

9. MODIFICATION OR WITHDRAWAL OF OFFERS:

- A. **Modification of Offers:** Offers may be modified in writing at any time prior to the Due Date.
- B. **Withdrawal of Offers:** Offers may be withdrawn in writing, by email, or by facsimile (provided that the facsimile is signed by the Offeror) at any time prior to the Due Date. An Offeror may also withdraw an Offer in person, provided the withdrawal is made prior to the Due Date. A receipt of withdrawal must be signed by the Offeror. Withdrawn Offers may be resubmitted, with or without modifications, up to the Due Date.

10. **OPENING OF BIDS:** The Purchasing Office representative responsible for opening Bids shall confirm the time and announce the Bid opening. The representative shall then personally and publicly open all Bids timely received, reading each Bid aloud. Following the Bid opening, the City will post on the City's website the Bid Sheets from all timely received Bids.

11. **OPENING OF PROPOSALS / QUALIFICATIONS STATEMENTS AND RELEASE OF INFORMATION:** Proposals / Qualifications Statements will be opened in a manner that avoids disclosure of the contents. Following the Opening of Proposals / Qualification Statements, the City will post on the City's website the names of all Offerors submitting Proposals / Qualification Statements. At its sole discretion, the City may release to the public information that is contained in an opened Proposals / Qualifications Statement after City staff review, except as prescribed by State law, including Texas Government Code Chapter 552 and Local Government Code Chapter 252, provided that the City determines that the disclosure will not create a competitive disadvantage for the City.

12. EVALUATION FACTORS AND AWARD FOR QUOTES AND BIDS:

- A. **Evaluation:** Offerors may furnish pricing for all or any portion of the Solicitation (unless otherwise specified). However, the City may evaluate and award the Contract for any item or group of items shown on the Solicitation, or any combination deemed most advantageous to the City. Offers that specify an "all or none" award may be considered if a single award is advantageous. An Offer containing prices significantly lower than all other Offeror's prices for an item will present a rebuttable presumption of irresponsibility.
- B. **Award:** Request for Quotations and Invitations for Bids will be awarded to the Lowest Responsible Offeror. Invitation for Bids – Best Value will be awarded to the offeror who provides goods or services at

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the best value for the City based on factors outlined in Section 0600. Request for Quotations – Sale and Invitation for Bids – Sale will be awarded to the Highest Responsible Offeror.

- C. **Local Business Presence:** A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this Contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.
- (1) For Invitations for Bids if the City receives a competitive sealed bid from an offeror who has Local Business Presences and whose bid is within three percent of the lowest bid price received from an offeror who does not have Local Business Presence, the City may enter into a contract with the local vendor.
- (2) For Request for Proposals and Invitation For Bids-Best Value: Points will be awarded through a combination of the Offeror's Local Business Presence and/or the Local Business Presence of their subcontractors per the below evaluation criteria. Evaluation of the Team's Percentage of Local Business Presence will be based on the dollar amount of goods and/or services as reflected in the Offeror's MBE/WBE Compliance Plan or MBE/WBE Utilization Plan. For Local Business Presence to be considered a completed Section 0605 must be returned with the Offer.

LOCAL BUSINESS PRESENCE (Maximum 10 points)

Team's Local Business Presence	Points Awarded
Local business presence of 90% to 100%	10
Local business presence of 75% to 89%	8
Local business presence of 50% to 74%	6
Local business presence of 25% to 49%	4
Local presence of between 1 and 24%	2
No local presence	0

- D. **Acceptance of Quote/Bid:** Acceptance of a Quote/Bid for an open market purchase or supply or service Master Agreement will be by a Purchase Order or a Contract as appropriate. Subsequent Delivery Orders may be issued as appropriate. The contents of a Quote/Bid shall become a part of the Purchase Order/Contract. Under no circumstances will the City be responsible for Goods or Services provided without an acceptance signed by or authorized by an Authorized City Representative.

13. EVALUATION FACTORS AND AWARD FOR PROPOSALS AND RESPONSES:

Competitive Selection: This procurement will comply with applicable City of Austin Policy. The successful Proposer will be selected by the City on a rational basis. Evaluation factors outlined in Section 0600 of the Solicitation shall be applied to all eligible, responsive Proposers in comparing proposals and selecting the successful Proposer. Award of a contract may be made without discussion with Proposers after proposals are received. Proposals should, therefore, be submitted on the most favorable terms.

14. RESERVATIONS: The City expressly reserves the right to:

- A. specify approximate quantities in the Solicitation;
- B. extend the Solicitation closing date and time;

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- C. waive as an informality, minor deviations from specifications provided they do not affect competition or result in functionally unacceptable Goods or Services;
 - D. waive any minor informality in any Offer or Solicitation procedure (a minor informality is one that does not affect the competitiveness of the Offeror);
 - E. add additional terms or modify existing terms in the Solicitation;
 - F. reject an Offer containing exceptions, additions, qualifications or conditions not called for in the solicitation;
 - G. reject an Offer received from an Offeror who is currently debarred or suspended by the City or State;
 - H. reject an Offer received from an Offeror who is currently debarred or suspended by the Federal Government (Applicable if project receives Federal funding);
 - I. reject an Offer that contains fraudulent information;
 - J. reject an Offer that has material omissions;
 - K. reject or cancel any or all Offers;
 - L. reissue a Solicitation;
 - M. procure any item by other means;
 - N. consider and accept alternate Offers, if specified in the Solicitation, when most advantageous to the City; and/or
 - O. reject an Offer because of unbalanced unit prices;
15. **NEGOTIATIONS OF PROPOSALS:** The City reserves the right to negotiate all elements which comprise the Offeror's Proposal to ensure that the best possible consideration be afforded to all concerned.
16. **CONTRACT INCORPORATION:** Offeror should be aware that the contents of the successful Offer will become a part of the subsequent contractual documents. Failure of the successful Offeror to accept this obligation may result in the cancellation of any award. Any damages accruing to the City as a result of the successful Offeror's failure to contract may be recovered from the successful Offeror.
17. **OPPORTUNITY TO PROTEST:** The Purchasing Officer has the authority to settle or resolve any claim of an alleged deficiency or protest. The procedures for notifying the City of Austin of an alleged deficiency or filing a protest are listed below. If you fail to comply with any of these requirements, the Purchasing Officer may dismiss your complaint or protest.
- A. **Prior to Offer Due Date:** If you are a prospective Offeror and you become aware of the facts regarding what you believe is a deficiency in the solicitation process before the Due Date for receipt of Offers, you must notify the City in writing of the alleged deficiency before that date, giving the City an opportunity to resolve the situation prior to the Offer Due Date.
 - B. **After Offer Due Date:** If you submit an Offer to the City and you believe that there has been a deficiency in the solicitation process or the award, you have the opportunity to protest the solicitation process or the recommended award as follows:
 - i. You must file written notice of your intent to protest within four (4) calendar days of the date that you know or should have known of the facts relating to the protest. If you do not file a written notice of intent within this time, you have waived all rights to protest the solicitation process or the award.
 - ii. You must file your written protest within fourteen (14) calendar days of the date that you know or should have known of the facts relating to the protest unless you know of the facts before the Offer has been closed. If you know of the facts before those dates, you must notify the City as stated above.
 - iii. You must submit your protest in writing and must include the following information:
 - (1) your name, address, telephone, and fax number;
 - (2) the solicitation number and the CIP number, if applicable;
 - (3) a detailed statement of the factual grounds for the protest, including copies of any relevant documents.
 - iv. Your protest must be concise and presented logically and factually to help with the City's review.

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- v. When the City receives a timely written protest, the Purchasing Officer will determine whether the grounds for your protest are sufficient. If the Purchasing Officer decides that the grounds are sufficient, the Purchasing Office will schedule a protest hearing, usually within five (5) working days. If the Purchasing Officer determines that your grounds are insufficient, the City will notify you of that decision in writing.
- vi. The protest hearing is informal and is not subject to the Open Meetings Act. The purpose of the hearing is to give you a chance to present your case, it is not an adversarial proceeding. Those who may attend from the City are: representatives from the department that requested the purchase, the Department of Law, the Purchasing Office, and other appropriate City staff. You may bring a representative or anyone else that will present information to support the factual grounds for your protest with you to the hearing.
- vii. A decision will usually be made within fifteen (15) calendar days after the hearing.
- viii. The City will send you a copy of the hearing decision after the appropriate City staff has reviewed the decision.
- ix. When a protest is filed, the City usually will not make an award until a decision on the protest is made. However, the City will not delay an award if the City Manager or the Purchasing Officer determines that:
 - (1) the City urgently requires the supplies or services to be purchased, or
 - (2) failure to make an award promptly will unduly delay delivery or performance.In those instances, the City will notify you and make every effort to resolve your protest before the award.

18. INTERESTED PARTIES DISCLOSURE

As a condition to entering the Contract, the Business Entity constituting the Offeror must provide the following disclosure of Interested Parties to the City prior to the award of a contract with the City on Form 1295 "Certificate of Interested Parties" as prescribed by the Texas Ethics Commission for any contract award requiring council authorization. The Certificate of Interested Parties Form must be completed on the Texas Ethics Commission website, printed, and signed by the authorized agent of the Business Entity with acknowledgment that disclosure is made under oath and under penalty of perjury. The City will submit the "Certificate of Interested Parties" to the Texas Ethics Commission within 30 days of receipt from the successful Offeror. The Offeror is reminded that the provisions of Local Government Code 176, regarding conflicts of interest between the bidders and local officials remains in place. Link to Texas Ethics Commission Form 1295 process and procedures below:

https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

19. POST OFFER DOCUMENTS REQUIRED FROM SUCCESSFUL OFFEROR:

- A. **Letters of Intent:** When a MBE/WBE Compliance Plan is required, the successful Offeror must submit to the Purchasing Officer the Letters of Intent to subcontract required by the Compliance Plan within three (3) business days after notification. Failure to submit the required letters will be grounds for rejection of the Offer.
- B. **Certificates of Insurance:** When insurance is required, the Offeror must provide proof of coverage prior to execution of a Contract. The Offeror shall provide Certificates of Insurance in the amounts and for the coverages required to the Purchasing Office within 14 calendar days after written request from the City (See also "Insurance" in Section 0400, Supplement Purchase Provisions, of the Solicitation).
- C. **Bonds:** When Bonds are required, the Offeror must provide the bonds prior to the execution of the Contract. The Offeror shall provide the Bonds, in the amounts and on the conditions required, within 14 calendar days after notification of award, or as otherwise required by the Solicitation.

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- D. **Chapter 176 Conflict of Interest Disclosure:** In accordance with Chapter 176 of the Texas Local Government Code, Offeror must file a Conflict of Interest Questionnaire with the Office of the City Clerk no later than 5:00 P.M. on the seventh (7th) business day after the commencement of contract discussions or negotiations with the City or the submission of an Offer, or other writing related to a potential Contract with the City. The questionnaire is available on line at the following website for the City Clerk:

<http://www.austintexas.gov/department/conflict-interest-questionnaire>

There are statutory penalties for failure to comply with Chapter 176.

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By submitting an Offer in response to the Solicitation, the Contractor agrees that the Contract shall be governed by the following terms and conditions. Unless otherwise specified in the Contract, Sections 3, 4, 5, 6, 7, 8, 20, 21, and 36 shall apply only to a Solicitation to purchase Goods, and Sections 9, 10, 11 and 22 shall apply only to a Solicitation to purchase Services to be performed principally at the City's premises or on public rights-of-way.

1. **CONTRACTOR'S OBLIGATIONS**. The Contractor shall fully and timely provide all Deliverables described in the Solicitation and in the Contractor's Offer in strict accordance with the terms, covenants, and conditions of the Contract and all applicable Federal, State, and local laws, rules, and regulations.
2. **EFFECTIVE DATE/TERM**. Unless otherwise specified in the Solicitation, this Contract shall be effective as of the date the contract is signed by the City, and shall continue in effect until all obligations are performed in accordance with the Contract.
3. **CONTRACTOR TO PACKAGE DELIVERABLES**: The Contractor will package Deliverables in accordance with good commercial practice and shall include a packing list showing the description of each item, the quantity and unit price. Unless otherwise provided in the Specifications or Supplemental Terms and Conditions, each shipping container shall be clearly and permanently marked as follows: (a) The Contractor's name and address, (b) the City's name, address and purchase order or purchase release number and the price agreement number if applicable, (c) Container number and total number of containers, e.g. box 1 of 4 boxes, and (d) the number of the container bearing the packing list. The Contractor shall bear cost of packaging. Deliverables shall be suitably packed to secure lowest transportation costs and to conform with requirements of common carriers and any applicable specifications. The City's count or weight shall be final and conclusive on shipments not accompanied by packing lists.
4. **SHIPMENT UNDER RESERVATION PROHIBITED**: The Contractor is not authorized to ship the Deliverables under reservation and no tender of a bill of lading will operate as a tender of Deliverables.
5. **TITLE & RISK OF LOSS**: Title to and risk of loss of the Deliverables shall pass to the City only when the City actually receives and accepts the Deliverables.
6. **DELIVERY TERMS AND TRANSPORTATION CHARGES**: Deliverables shall be shipped F.O.B. point of delivery unless otherwise specified in the Supplemental Terms and Conditions. Unless otherwise stated in the Offer, the Contractor's price shall be deemed to include all delivery and transportation charges. The City shall have the right to designate what method of transportation shall be used to ship the Deliverables. The place of delivery shall be that set forth in the block of the purchase order or purchase release entitled "Receiving Agency".
7. **RIGHT OF INSPECTION AND REJECTION**: The City expressly reserves all rights under law, including, but not limited to the Uniform Commercial Code, to inspect the Deliverables at delivery before accepting them, and to reject defective or non-conforming Deliverables. If the City has the right to inspect the Contractor's, or the Contractor's Subcontractor's, facilities, or the Deliverables at the Contractor's, or the Contractor's Subcontractor's, premises, the Contractor shall furnish, or cause to be furnished, without additional charge, all reasonable facilities and assistance to the City to facilitate such inspection.
8. **NO REPLACEMENT OF DEFECTIVE TENDER**: Every tender or delivery of Deliverables must fully comply with all provisions of the Contract as to time of delivery, quality, and quantity. Any non-complying tender shall constitute a breach and the Contractor shall not have the right to substitute a conforming tender; provided, where the time for performance has not yet expired, the Contractor may notify the City of the intention to cure and may then make a conforming tender within the time allotted in the contract.
9. **PLACE AND CONDITION OF WORK**: The City shall provide the Contractor access to the sites where the Contractor is to perform the services as required in order for the Contractor to perform the services in a timely and efficient manner, in accordance with and subject to the applicable security laws, rules, and regulations. The Contractor acknowledges that it has satisfied itself as to the nature of the City's service requirements and specifications, the location and essential characteristics of the work sites, the quality and quantity of materials, equipment, labor and facilities necessary to perform the services, and any other condition or state of fact which could in any way affect performance of the Contractor's obligations under the contract. The Contractor hereby releases and holds the City

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harmless from and against any liability or claim for damages of any kind or nature if the actual site or service conditions differ from expected conditions.

10. WORKFORCE

- A. The Contractor shall employ only orderly and competent workers, skilled in the performance of the services which they will perform under the Contract.
- B. The Contractor, its employees, subcontractors, and subcontractor's employees may not while engaged in participating or responding to a solicitation or while in the course and scope of delivering goods or services under a City of Austin contract or on the City's property .
 - i. use or possess a firearm, including a concealed handgun that is licensed under state law, except as required by the terms of the contract; or
 - ii. use or possess alcoholic or other intoxicating beverages, illegal drugs or controlled substances, nor may such workers be intoxicated, or under the influence of alcohol or drugs, on the job.
- C. If the City or the City's representative notifies the Contractor that any worker is incompetent, disorderly or disobedient, has knowingly or repeatedly violated safety regulations, has possessed any firearms, or has possessed or was under the influence of alcohol or drugs on the job, the Contractor shall immediately remove such worker from Contract services, and may not employ such worker again on Contract services without the City's prior written consent.

- 11. COMPLIANCE WITH HEALTH, SAFETY, AND ENVIRONMENTAL REGULATIONS:** The Contractor, its Subcontractors, and their respective employees, shall comply fully with all applicable federal, state, and local health, safety, and environmental laws, ordinances, rules and regulations in the performance of the services, including but not limited to those promulgated by the City and by the Occupational Safety and Health Administration (OSHA). In case of conflict, the most stringent safety requirement shall govern. The Contractor shall indemnify and hold the City harmless from and against all claims, demands, suits, actions, judgments, fines, penalties and liability of every kind arising from the breach of the Contractor's obligations under this paragraph.

12. INVOICES:

- A. The Contractor shall submit separate invoices in duplicate on each purchase order or purchase release after each delivery. If partial shipments or deliveries are authorized by the City, a separate invoice must be sent for each shipment or delivery made.
- B. **Proper Invoices must include a unique invoice number, the purchase order or delivery order number and the master agreement number if applicable, the Department's Name, and the name of the point of contact for the Department.** Invoices shall be itemized and transportation charges, if any, shall be listed separately. A copy of the bill of lading and the freight waybill, when applicable, shall be attached to the invoice. The Contractor's name and, if applicable, the tax identification number on the invoice must exactly match the information in the Vendor's registration with the City. Unless otherwise instructed in writing, the City may rely on the remittance address specified on the Contractor's invoice.
- C. Invoices for labor shall include a copy of all time-sheets with trade labor rate and Deliverables order number clearly identified. Invoices shall also include a tabulation of work-hours at the appropriate rates and grouped by work order number. Time billed for labor shall be limited to hours actually worked at the work site.
- D. Unless otherwise expressly authorized in the Contract, the Contractor shall pass through all Subcontract and other authorized expenses at actual cost without markup.
- E. Federal excise taxes, State taxes, or City sales taxes must not be included in the invoiced amount. The City will furnish a tax exemption certificate upon request.

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13. PAYMENT:

- A. All proper invoices received by the City will be paid within thirty (30) calendar days of the City's receipt of the Deliverables or of the invoice, whichever is later.
- B. **If payment is not timely made, (per paragraph A), interest shall accrue on the unpaid balance at the lesser of the rate specified in Texas Government Code Section 2251.025 or the maximum lawful rate; except, if payment is not timely made for a reason for which the City may withhold payment hereunder, interest shall not accrue until ten (10) calendar days after the grounds for withholding payment have been resolved.**
- C. If partial shipments or deliveries are authorized by the City, the Contractor will be paid for the partial shipment or delivery, as stated above, provided that the invoice matches the shipment or delivery.
- D. The City may withhold or set off the entire payment or part of any payment otherwise due the Contractor to such extent as may be necessary on account of:
 - i. delivery of defective or non-conforming Deliverables by the Contractor;
 - ii. third party claims, which are not covered by the insurance which the Contractor is required to provide, are filed or reasonable evidence indicating probable filing of such claims;
 - iii. failure of the Contractor to pay Subcontractors, or for labor, materials or equipment;
 - iv. damage to the property of the City or the City's agents, employees or contractors, which is not covered by insurance required to be provided by the Contractor;
 - v. reasonable evidence that the Contractor's obligations will not be completed within the time specified in the Contract, and that the unpaid balance would not be adequate to cover actual or liquidated damages for the anticipated delay;
 - vi. failure of the Contractor to submit proper invoices with all required attachments and supporting documentation; or
 - vii. failure of the Contractor to comply with any material provision of the Contract Documents.
- E. Notice is hereby given of Article VIII, Section 1 of the Austin City Charter which prohibits the payment of any money to any person, firm or corporation who is in arrears to the City for taxes, and of §2-8-3 of the Austin City Code concerning the right of the City to offset indebtedness owed the City.
- F. Payment will be made by check unless the parties mutually agree to payment by credit card or electronic transfer of funds. The Contractor agrees that there shall be no additional charges, surcharges, or penalties to the City for payments made by credit card or electronic funds transfer.
- G. The awarding or continuation of this contract is dependent upon the availability of funding. The City's payment obligations are payable only and solely from funds Appropriated and available for this contract. The absence of Appropriated or other lawfully available funds shall render the Contract null and void to the extent funds are not Appropriated or available and any Deliverables delivered but unpaid shall be returned to the Contractor. The City shall provide the Contractor written notice of the failure of the City to make an adequate Appropriation for any fiscal year to pay the amounts due under the Contract, or the reduction of any Appropriation to an amount insufficient to permit the City to pay its obligations under the Contract. In the event of non or inadequate appropriation of funds, there will be no penalty nor removal fees charged to the City.

- 14. TRAVEL EXPENSES:** All travel, lodging and per diem expenses in connection with the Contract for which reimbursement may be claimed by the Contractor under the terms of the Solicitation will be reviewed against the City's Travel Policy as published and maintained by the City's Controller's Office and the Current United States General Services Administration Domestic Per Diem Rates (the "Rates") as published and maintained on the Internet at:

<http://www.gsa.gov/portal/category/21287>

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No amounts in excess of the Travel Policy or Rates shall be paid. All invoices must be accompanied by copies of detailed itemized receipts (e.g. hotel bills, airline tickets). No reimbursement will be made for expenses not actually incurred. Airline fares in excess of coach or economy will not be reimbursed. Mileage charges may not exceed the amount permitted as a deduction in any year under the Internal Revenue Code or Regulations.

15. FINAL PAYMENT AND CLOSE-OUT:

- A. If an MBE/WBE Program Compliance Plan is required by the Solicitation, and the Contractor has identified Subcontractors, the Contractor is required to submit a Contract Close-Out MBE/WBE Compliance Report to the Project manager or Contract manager no later than the 15th calendar day after completion of all work under the contract. Final payment, retainage, or both may be withheld if the Contractor is not in compliance with the requirements of the Compliance Plan as accepted by the City.
- B. The making and acceptance of final payment will constitute:
 - i. a waiver of all claims by the City against the Contractor, except claims (1) which have been previously asserted in writing and not yet settled, (2) arising from defective work appearing after final inspection, (3) arising from failure of the Contractor to comply with the Contract or the terms of any warranty specified herein, (4) arising from the Contractor's continuing obligations under the Contract, including but not limited to indemnity and warranty obligations, or (5) arising under the City's right to audit; and
 - ii. a waiver of all claims by the Contractor against the City other than those previously asserted in writing and not yet settled.

16. SPECIAL TOOLS & TEST EQUIPMENT: If the price stated on the Offer includes the cost of any special tooling or special test equipment fabricated or required by the Contractor for the purpose of filling this order, such special tooling equipment and any process sheets related thereto shall become the property of the City and shall be identified by the Contractor as such.

17. AUDITS and RECORDS:

- A. The Contractor agrees that the representatives of the Office of the City Auditor or other authorized representatives of the City shall have access to, and the right to audit, examine, or reproduce, any and all records of the Contractor related to the performance under this Contract. The Contractor shall retain all such records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer. The Contractor agrees to refund to the City any overpayments disclosed by any such audit.
- B. Records Retention:
 - i. Contractor is subject to City Code chapter 2-11 (Records Management), and as it may subsequently be amended. For purposes of this subsection, a Record means all books, accounts, reports, files, and other data recorded or created by a Contractor in fulfillment of the Contract whether in digital or physical format, except a record specifically relating to the Contractor's internal administration.
 - ii. All Records are the property of the City. The Contractor may not dispose of or destroy a Record without City authorization and shall deliver the Records, in all requested formats and media, along with all finding aids and metadata, to the City at no cost when requested by the City
 - iii. The Contractor shall retain all Records for a period of three (3) years after final payment on this Contract or until all audit and litigation matters that the City has brought to the attention of the Contractor are resolved, whichever is longer.
- C. The Contractor shall include sections A and B above in all subcontractor agreements entered into in connection with this Contract.

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18. SUBCONTRACTORS:

- A. If the Contractor identified Subcontractors in an MBE/WBE Program Compliance Plan or a No Goals Utilization Plan the Contractor shall comply with the provisions of Chapters 2-9A, 2-9B, 2-9C, and 2-9D, as applicable, of the Austin City Code and the terms of the Compliance Plan or Utilization Plan as approved by the City (the "Plan"). The Contractor shall not initially employ any Subcontractor except as provided in the Contractor's Plan. The Contractor shall not substitute any Subcontractor identified in the Plan, unless the substitute has been accepted by the City in writing in accordance with the provisions of Chapters 2-9A, 2-9B, 2-9C and 2-9D, as applicable. No acceptance by the City of any Subcontractor shall constitute a waiver of any rights or remedies of the City with respect to defective Deliverables provided by a Subcontractor. If a Plan has been approved, the Contractor is additionally required to submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager and the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.
- B. Work performed for the Contractor by a Subcontractor shall be pursuant to a written contract between the Contractor and Subcontractor. The terms of the subcontract may not conflict with the terms of the Contract, and shall contain provisions that:
 - i. require that all Deliverables to be provided by the Subcontractor be provided in strict accordance with the provisions, specifications and terms of the Contract;
 - ii. prohibit the Subcontractor from further subcontracting any portion of the Contract without the prior written consent of the City and the Contractor. The City may require, as a condition to such further subcontracting, that the Subcontractor post a payment bond in form, substance and amount acceptable to the City;
 - iii. require Subcontractors to submit all invoices and applications for payments, including any claims for additional payments, damages or otherwise, to the Contractor in sufficient time to enable the Contractor to include same with its invoice or application for payment to the City in accordance with the terms of the Contract;
 - iv. require that all Subcontractors obtain and maintain, throughout the term of their contract, insurance in the type and amounts specified for the Contractor, with the City being a named insured as its interest shall appear; and
 - v. require that the Subcontractor indemnify and hold the City harmless to the same extent as the Contractor is required to indemnify the City.
- C. The Contractor shall be fully responsible to the City for all acts and omissions of the Subcontractors just as the Contractor is responsible for the Contractor's own acts and omissions. Nothing in the Contract shall create for the benefit of any such Subcontractor any contractual relationship between the City and any such Subcontractor, nor shall it create any obligation on the part of the City to pay or to see to the payment of any moneys due any such Subcontractor except as may otherwise be required by law.
- D. The Contractor shall pay each Subcontractor its appropriate share of payments made to the Contractor not later than ten (10) calendar days after receipt of payment from the City.

19. WARRANTY-PRICE:

- A. The Contractor warrants the prices quoted in the Offer are no higher than the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.
- B. The Contractor certifies that the prices in the Offer have been arrived at independently without consultation, communication, or agreement for the purpose of restricting competition, as to any matter relating to such fees with any other firm or with any competitor.
- C. In addition to any other remedy available, the City may deduct from any amounts owed to the Contractor, or otherwise recover, any amounts paid for items in excess of the Contractor's current prices on orders by others for like Deliverables under similar terms of purchase.

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20. **WARRANTY – TITLE:** The Contractor warrants that it has good and indefeasible title to all Deliverables furnished under the Contract, and that the Deliverables are free and clear of all liens, claims, security interests and encumbrances. The Contractor shall indemnify and hold the City harmless from and against all adverse title claims to the Deliverables.
21. **WARRANTY – DELIVERABLES:** The Contractor warrants and represents that all Deliverables sold the City under the Contract shall be free from defects in design, workmanship or manufacture, and conform in all material respects to the specifications, drawings, and descriptions in the Solicitation, to any samples furnished by the Contractor, to the terms, covenants and conditions of the Contract, and to all applicable State, Federal or local laws, rules, and regulations, and industry codes and standards. Unless otherwise stated in the Solicitation, the Deliverables shall be new or recycled merchandise, and not used or reconditioned.
- A. Recycled Deliverables shall be clearly identified as such.
 - B. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law; and any attempt to do so shall be without force or effect.
 - C. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the date of acceptance of the Deliverables or from the date of acceptance of any replacement Deliverables. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand either repair the non-conforming Deliverables, or replace the non-conforming Deliverables with fully conforming Deliverables, at the City's option and at no additional cost to the City. All costs incidental to such repair or replacement, including but not limited to, any packaging and shipping costs, shall be borne exclusively by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach of warranty, but failure to give timely notice shall not impair the City's rights under this section.
 - D. If the Contractor is unable or unwilling to repair or replace defective or non-conforming Deliverables as required by the City, then in addition to any other available remedy, the City may reduce the quantity of Deliverables it may be required to purchase under the Contract from the Contractor, and purchase conforming Deliverables from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such Deliverables from another source.
 - E. If the Contractor is not the manufacturer, and the Deliverables are covered by a separate manufacturer's warranty, the Contractor shall transfer and assign such manufacturer's warranty to the City. If for any reason the manufacturer's warranty cannot be fully transferred to the City, the Contractor shall assist and cooperate with the City to the fullest extent to enforce such manufacturer's warranty for the benefit of the City.
22. **WARRANTY – SERVICES:** The Contractor warrants and represents that all services to be provided the City under the Contract will be fully and timely performed in a good and workmanlike manner in accordance with generally accepted industry standards and practices, the terms, conditions, and covenants of the Contract, and all applicable Federal, State and local laws, rules or regulations.
- A. The Contractor may not limit, exclude or disclaim the foregoing warranty or any warranty implied by law, and any attempt to do so shall be without force or effect.
 - B. Unless otherwise specified in the Contract, the warranty period shall be at least one year from the Acceptance Date. If during the warranty period, one or more of the above warranties are breached, the Contractor shall promptly upon receipt of demand perform the services again in accordance with above standard at no additional cost to the City. All costs incidental to such additional performance shall be borne by the Contractor. The City shall endeavor to give the Contractor written notice of the breach of warranty within thirty (30) calendar days of discovery of the breach warranty, but failure to give timely notice shall not impair the City's rights under this section.
 - C. If the Contractor is unable or unwilling to perform its services in accordance with the above standard as required by the City, then in addition to any other available remedy, the City may reduce the amount of services it may be

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required to purchase under the Contract from the Contractor, and purchase conforming services from other sources. In such event, the Contractor shall pay to the City upon demand the increased cost, if any, incurred by the City to procure such services from another source.

23. **ACCEPTANCE OF INCOMPLETE OR NON-CONFORMING DELIVERABLES:** If, instead of requiring immediate correction or removal and replacement of defective or non-conforming Deliverables, the City prefers to accept it, the City may do so. The Contractor shall pay all claims, costs, losses and damages attributable to the City's evaluation of and determination to accept such defective or non-conforming Deliverables. If any such acceptance occurs prior to final payment, the City may deduct such amounts as are necessary to compensate the City for the diminished value of the defective or non-conforming Deliverables. If the acceptance occurs after final payment, such amount will be refunded to the City by the Contractor.
24. **RIGHT TO ASSURANCE:** Whenever one party to the Contract in good faith has reason to question the other party's intent to perform, demand may be made to the other party for written assurance of the intent to perform. In the event that no assurance is given within the time specified after demand is made, the demanding party may treat this failure as an anticipatory repudiation of the Contract.
25. **STOP WORK NOTICE:** The City may issue an immediate Stop Work Notice in the event the Contractor is observed performing in a manner that is in violation of Federal, State, or local guidelines, or in a manner that is determined by the City to be unsafe to either life or property. Upon notification, the Contractor will cease all work until notified by the City that the violation or unsafe condition has been corrected. The Contractor shall be liable for all costs incurred by the City as a result of the issuance of such Stop Work Notice.
26. **DEFAULT:** The Contractor shall be in default under the Contract if the Contractor (a) fails to fully, timely and faithfully perform any of its material obligations under the Contract, (b) fails to provide adequate assurance of performance under Paragraph 24, (c) becomes insolvent or seeks relief under the bankruptcy laws of the United States or (d) makes a material misrepresentation in Contractor's Offer, or in any report or deliverable required to be submitted by the Contractor to the City.
27. **TERMINATION FOR CAUSE:** In the event of a default by the Contractor, the City shall have the right to terminate the Contract for cause, by written notice effective ten (10) calendar days, unless otherwise specified, after the date of such notice, unless the Contractor, within such ten (10) day period, cures such default, or provides evidence sufficient to prove to the City's reasonable satisfaction that such default does not, in fact, exist. The City may place Contractor on probation for a specified period of time within which the Contractor must correct any non-compliance issues. Probation shall not normally be for a period of more than nine (9) months, however, it may be for a longer period, not to exceed one (1) year depending on the circumstances. If the City determines the Contractor has failed to perform satisfactorily during the probation period, the City may proceed with suspension. In the event of a default by the Contractor, the City may suspend or debar the Contractor in accordance with the "City of Austin Purchasing Office Probation, Suspension and Debarment Rules for Vendors" and remove the Contractor from the City's vendor list for up to five (5) years and any Offer submitted by the Contractor may be disqualified for up to five (5) years. In addition to any other remedy available under law or in equity, the City shall be entitled to recover all actual damages, costs, losses and expenses, incurred by the City as a result of the Contractor's default, including, without limitation, cost of cover, reasonable attorneys' fees, court costs, and prejudgment and post-judgment interest at the maximum lawful rate. All rights and remedies under the Contract are cumulative and are not exclusive of any other right or remedy provided by law.
28. **TERMINATION WITHOUT CAUSE:** The City shall have the right to terminate the Contract, in whole or in part, without cause any time upon thirty (30) calendar days' prior written notice. Upon receipt of a notice of termination, the Contractor shall promptly cease all further work pursuant to the Contract, with such exceptions, if any, specified in the notice of termination. The City shall pay the Contractor, to the extent of funds Appropriated or otherwise legally available for such purposes, for all goods delivered and services performed and obligations incurred prior to the date of termination in accordance with the terms hereof.
29. **FRAUD:** Fraudulent statements by the Contractor on any Offer or in any report or deliverable required to be submitted by the Contractor to the City shall be grounds for the termination of the Contract for cause by the City and may result in legal action.

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30. DELAYS:

- A. The City may delay scheduled delivery or other due dates by written notice to the Contractor if the City deems it is in its best interest. If such delay causes an increase in the cost of the work under the Contract, the City and the Contractor shall negotiate an equitable adjustment for costs incurred by the Contractor in the Contract price and execute an amendment to the Contract. The Contractor must assert its right to an adjustment within thirty (30) calendar days from the date of receipt of the notice of delay. Failure to agree on any adjusted price shall be handled under the Dispute Resolution process specified in paragraph 48. However, nothing in this provision shall excuse the Contractor from delaying the delivery as notified.
- B. Neither party shall be liable for any default or delay in the performance of its obligations under this Contract if, while and to the extent such default or delay is caused by acts of God, fire, riots, civil commotion, labor disruptions, sabotage, sovereign conduct, or any other cause beyond the reasonable control of such Party. In the event of default or delay in contract performance due to any of the foregoing causes, then the time for completion of the services will be extended; provided, however, in such an event, a conference will be held within three (3) business days to establish a mutually agreeable period of time reasonably necessary to overcome the effect of such failure to perform.

31. INDEMNITY:

- A. Definitions:
 - i. "Indemnified Claims" shall include any and all claims, demands, suits, causes of action, judgments and liability of every character, type or description, including all reasonable costs and expenses of litigation, mediation or other alternate dispute resolution mechanism, including attorney and other professional fees for:
 - (1) damage to or loss of the property of any person (including, but not limited to the City, the Contractor, their respective agents, officers, employees and subcontractors; the officers, agents, and employees of such subcontractors; and third parties); and/or
 - (2) death, bodily injury, illness, disease, worker's compensation, loss of services, or loss of income or wages to any person (including but not limited to the agents, officers and employees of the City, the Contractor, the Contractor's subcontractors, and third parties),
 - ii. "Fault" shall include the sale of defective or non-conforming Deliverables, negligence, willful misconduct, or a breach of any legally imposed strict liability standard.
- B. **THE CONTRACTOR SHALL DEFEND (AT THE OPTION OF THE CITY), INDEMNIFY, AND HOLD THE CITY, ITS SUCCESSORS, ASSIGNS, OFFICERS, EMPLOYEES AND ELECTED OFFICIALS HARMLESS FROM AND AGAINST ALL INDEMNIFIED CLAIMS DIRECTLY ARISING OUT OF, INCIDENT TO, CONCERNING OR RESULTING FROM THE FAULT OF THE CONTRACTOR, OR THE CONTRACTOR'S AGENTS, EMPLOYEES OR SUBCONTRACTORS, IN THE PERFORMANCE OF THE CONTRACTOR'S OBLIGATIONS UNDER THE CONTRACT. NOTHING HEREIN SHALL BE DEEMED TO LIMIT THE RIGHTS OF THE CITY OR THE CONTRACTOR (INCLUDING, BUT NOT LIMITED TO, THE RIGHT TO SEEK CONTRIBUTION) AGAINST ANY THIRD PARTY WHO MAY BE LIABLE FOR AN INDEMNIFIED CLAIM.**

32. INSURANCE: (reference Section 0400 for specific coverage requirements). The following insurance requirement applies. (Revised March 2013).

A. General Requirements.

- i. The Contractor shall at a minimum carry insurance in the types and amounts indicated in Section 0400, Supplemental Purchase Provisions, for the duration of the Contract, including extension options and hold over periods, and during any warranty period.
- ii. The Contractor shall provide Certificates of Insurance with the coverages and endorsements required in Section 0400, Supplemental Purchase Provisions, to the City as verification of coverage prior to contract execution and within fourteen (14) calendar days after written request from the

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City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or hold over period is exercised, as verification of continuing coverage.

- iii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iv. The City may request that the Contractor submit certificates of insurance to the City for all subcontractors prior to the subcontractors commencing work on the project.
- v. The Contractor's and all subcontractors' insurance coverage shall be written by companies licensed to do business in the State of Texas at the time the policies are issued and shall be written by companies with A.M. Best ratings of B+VII or better.
- vi. The "other" insurance clause shall not apply to the City where the City is an additional insured shown on any policy. It is intended that policies required in the Contract, covering both the City and the Contractor, shall be considered primary coverage as applicable.
- vii. If insurance policies are not written for amounts specified in Section 0400, Supplemental Purchase Provisions, the Contractor shall carry Umbrella or Excess Liability Insurance for any differences in amounts specified. If Excess Liability Insurance is provided, it shall follow the form of the primary coverage.
- viii. The City shall be entitled, upon request, at an agreed upon location, and without expense, to review certified copies of policies and endorsements thereto and may make any reasonable requests for deletion or revision or modification of particular policy terms, conditions, limitations, or exclusions except where policy provisions are established by law or regulations binding upon either of the parties hereto or the underwriter on any such policies.
- ix. The City reserves the right to review the insurance requirements set forth during the effective period of the Contract and to make reasonable adjustments to insurance coverage, limits, and exclusions when deemed necessary and prudent by the City based upon changes in statutory law, court decisions, the claims history of the industry or financial condition of the insurance company as well as the Contractor.
- x. The Contractor shall not cause any insurance to be canceled nor permit any insurance to lapse during the term of the Contract or as required in the Contract.
- xi. The Contractor shall be responsible for premiums, deductibles and self-insured retentions, if any, stated in policies. Self-insured retentions shall be disclosed on the Certificate of Insurance.
- xii. The Contractor shall provide the City thirty (30) calendar days' written notice of erosion of the aggregate limits below occurrence limits for all applicable coverages indicated within the Contract.
- xiii. The insurance coverages specified in Section 0400, Supplemental Purchase Provisions, are required minimums and are not intended to limit the responsibility or liability of the Contractor.

B. Specific Coverage Requirements: Specific insurance requirements are contained in Section 0400, Supplemental Purchase Provisions

33. **CLAIMS:** If any claim, demand, suit, or other action is asserted against the Contractor which arises under or concerns the Contract, or which could have a material adverse affect on the Contractor's ability to perform thereunder, the Contractor shall give written notice thereof to the City within ten (10) calendar days after receipt of notice by the

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Contractor. Such notice to the City shall state the date of notification of any such claim, demand, suit, or other action; the names and addresses of the claimant(s); the basis thereof; and the name of each person against whom such claim is being asserted. Such notice shall be delivered personally or by mail and shall be sent to the City and to the Austin City Attorney. Personal delivery to the City Attorney shall be to City Hall, 301 West 2nd Street, 4th Floor, Austin, Texas 78701, and mail delivery shall be to P.O. Box 1088, Austin, Texas 78767.

34. **NOTICES**: Unless otherwise specified, all notices, requests, or other communications required or appropriate to be given under the Contract shall be in writing and shall be deemed delivered three (3) business days after postmarked if sent by U.S. Postal Service Certified or Registered Mail, Return Receipt Requested. Notices delivered by other means shall be deemed delivered upon receipt by the addressee. Routine communications may be made by first class mail, telefax, or other commercially accepted means. Notices to the Contractor shall be sent to the address specified in the Contractor's Offer, or at such other address as a party may notify the other in writing. Notices to the City shall be addressed to the City at P.O. Box 1088, Austin, Texas 78767 and marked to the attention of the Contract Administrator.
35. **RIGHTS TO BID, PROPOSAL AND CONTRACTUAL MATERIAL**: All material submitted by the Contractor to the City shall become property of the City upon receipt. Any portions of such material claimed by the Contractor to be proprietary must be clearly marked as such. Determination of the public nature of the material is subject to the Texas Public Information Act, Chapter 552, Texas Government Code.
36. **NO WARRANTY BY CITY AGAINST INFRINGEMENTS**: The Contractor represents and warrants to the City that: (i) the Contractor shall provide the City good and indefeasible title to the Deliverables and (ii) the Deliverables supplied by the Contractor in accordance with the specifications in the Contract will not infringe, directly or contributorily, any patent, trademark, copyright, trade secret, or any other intellectual property right of any kind of any third party; that no claims have been made by any person or entity with respect to the ownership or operation of the Deliverables and the Contractor does not know of any valid basis for any such claims. The Contractor shall, at its sole expense, defend, indemnify, and hold the City harmless from and against all liability, damages, and costs (including court costs and reasonable fees of attorneys and other professionals) arising out of or resulting from: (i) any claim that the City's exercise anywhere in the world of the rights associated with the City's ownership, and if applicable, license rights, and its use of the Deliverables infringes the intellectual property rights of any third party; or (ii) the Contractor's breach of any of Contractor's representations or warranties stated in this Contract. In the event of any such claim, the City shall have the right to monitor such claim or at its option engage its own separate counsel to act as co-counsel on the City's behalf. Further, Contractor agrees that the City's specifications regarding the Deliverables shall in no way diminish Contractor's warranties or obligations under this paragraph and the City makes no warranty that the production, development, or delivery of such Deliverables will not impact such warranties of Contractor.
37. **CONFIDENTIALITY**: In order to provide the Deliverables to the City, Contractor may require access to certain of the City's and/or its licensors' confidential information (including inventions, employee information, trade secrets, confidential know-how, confidential business information, and other information which the City or its licensors consider confidential) (collectively, "Confidential Information"). Contractor acknowledges and agrees that the Confidential Information is the valuable property of the City and/or its licensors and any unauthorized use, disclosure, dissemination, or other release of the Confidential Information will substantially injure the City and/or its licensors. The Contractor (including its employees, subcontractors, agents, or representatives) agrees that it will maintain the Confidential Information in strict confidence and shall not disclose, disseminate, copy, divulge, recreate, or otherwise use the Confidential Information without the prior written consent of the City or in a manner not expressly permitted under this Agreement, unless the Confidential Information is required to be disclosed by law or an order of any court or other governmental authority with proper jurisdiction, provided the Contractor promptly notifies the City before disclosing such information so as to permit the City reasonable time to seek an appropriate protective order. The Contractor agrees to use protective measures no less stringent than the Contractor uses within its own business to protect its own most valuable information, which protective measures shall under all circumstances be at least reasonable measures to ensure the continued confidentiality of the Confidential Information.
38. **PUBLICATIONS**: All published material and written reports submitted under the Contract must be originally developed material unless otherwise specifically provided in the Contract. When material not originally developed is included in a report in any form, the source shall be identified.

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39. **ADVERTISING**: The Contractor shall not advertise or publish, without the City's prior consent, the fact that the City has entered into the Contract, except to the extent required by law.
40. **NO CONTINGENT FEES**: The Contractor warrants that no person or selling agency has been employed or retained to solicit or secure the Contract upon any agreement or understanding for commission, percentage, brokerage, or contingent fee, excepting bona fide employees of bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business. For breach or violation of this warranty, the City shall have the right, in addition to any other remedy available, to cancel the Contract without liability and to deduct from any amounts owed to the Contractor, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.
41. **GRATUITIES**: The City may, by written notice to the Contractor, cancel the Contract without liability if it is determined by the City that gratuities were offered or given by the Contractor or any agent or representative of the Contractor to any officer or employee of the City of Austin with a view toward securing the Contract or securing favorable treatment with respect to the awarding or amending or the making of any determinations with respect to the performing of such contract. In the event the Contract is canceled by the City pursuant to this provision, the City shall be entitled, in addition to any other rights and remedies, to recover or withhold the amount of the cost incurred by the Contractor in providing such gratuities.
42. **PROHIBITION AGAINST PERSONAL INTEREST IN CONTRACTS**: No officer, employee, independent consultant, or elected official of the City who is involved in the development, evaluation, or decision-making process of the performance of any solicitation shall have a financial interest, direct or indirect, in the Contract resulting from that solicitation. Any willful violation of this section shall constitute impropriety in office, and any officer or employee guilty thereof shall be subject to disciplinary action up to and including dismissal. Any violation of this provision, with the knowledge, expressed or implied, of the Contractor shall render the Contract voidable by the City.
43. **INDEPENDENT CONTRACTOR**: The Contract shall not be construed as creating an employer/employee relationship, a partnership, or a joint venture. The Contractor's services shall be those of an independent contractor. The Contractor agrees and understands that the Contract does not grant any rights or privileges established for employees of the City.
44. **ASSIGNMENT-DELEGATION**: The Contract shall be binding upon and enure to the benefit of the City and the Contractor and their respective successors and assigns, provided however, that no right or interest in the Contract shall be assigned and no obligation shall be delegated by the Contractor without the prior written consent of the City. Any attempted assignment or delegation by the Contractor shall be void unless made in conformity with this paragraph. The Contract is not intended to confer rights or benefits on any person, firm or entity not a party hereto; it being the intention of the parties that there be no third party beneficiaries to the Contract.
45. **WAIVER**: No claim or right arising out of a breach of the Contract can be discharged in whole or in part by a waiver or renunciation of the claim or right unless the waiver or renunciation is supported by consideration and is in writing signed by the aggrieved party. No waiver by either the Contractor or the City of any one or more events of default by the other party shall operate as, or be construed to be, a permanent waiver of any rights or obligations under the Contract, or an express or implied acceptance of any other existing or future default or defaults, whether of a similar or different character.
46. **MODIFICATIONS**: The Contract can be modified or amended only by a writing signed by both parties. No pre-printed or similar terms on any the Contractor invoice, order or other document shall have any force or effect to change the terms, covenants, and conditions of the Contract.
47. **INTERPRETATION**: The Contract is intended by the parties as a final, complete and exclusive statement of the terms of their agreement. No course of prior dealing between the parties or course of performance or usage of the trade shall be relevant to supplement or explain any term used in the Contract. Although the Contract may have been substantially drafted by one party, it is the intent of the parties that all provisions be construed in a manner to be fair to both parties, reading no provisions more strictly against one party or the other. Whenever a term defined by the Uniform Commercial Code, as enacted by the State of Texas, is used in the Contract, the UCC definition shall control, unless otherwise defined in the Contract.

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48. DISPUTE RESOLUTION:

- A. If a dispute arises out of or relates to the Contract, or the breach thereof, the parties agree to negotiate prior to prosecuting a suit for damages. However, this section does not prohibit the filing of a lawsuit to toll the running of a statute of limitations or to seek injunctive relief. Either party may make a written request for a meeting between representatives of each party within fourteen (14) calendar days after receipt of the request or such later period as agreed by the parties. Each party shall include, at a minimum, one (1) senior level individual with decision-making authority regarding the dispute. The purpose of this and any subsequent meeting is to attempt in good faith to negotiate a resolution of the dispute. If, within thirty (30) calendar days after such meeting, the parties have not succeeded in negotiating a resolution of the dispute, they will proceed directly to mediation as described below. Negotiation may be waived by a written agreement signed by both parties, in which event the parties may proceed directly to mediation as described below.
- B. If the efforts to resolve the dispute through negotiation fail, or the parties waive the negotiation process, the parties may select, within thirty (30) calendar days, a mediator trained in mediation skills to assist with resolution of the dispute. Should they choose this option, the City and the Contractor agree to act in good faith in the selection of the mediator and to give consideration to qualified individuals nominated to act as mediator. Nothing in the Contract prevents the parties from relying on the skills of a person who is trained in the subject matter of the dispute or a contract interpretation expert. If the parties fail to agree on a mediator within thirty (30) calendar days of initiation of the mediation process, the mediator shall be selected by the Travis County Dispute Resolution Center (DRC). The parties agree to participate in mediation in good faith for up to thirty (30) calendar days from the date of the first mediation session. The City and the Contractor will share the mediator's fees equally and the parties will bear their own costs of participation such as fees for any consultants or attorneys they may utilize to represent them or otherwise assist them in the mediation.

49. JURISDICTION AND VENUE: The Contract is made under and shall be governed by the laws of the State of Texas, including, when applicable, the Uniform Commercial Code as adopted in Texas, V.T.C.A., Bus. & Comm. Code, Chapter 1, excluding any rule or principle that would refer to and apply the substantive law of another state or jurisdiction. All issues arising from this Contract shall be resolved in the courts of Travis County, Texas and the parties agree to submit to the exclusive personal jurisdiction of such courts. The foregoing, however, shall not be construed or interpreted to limit or restrict the right or ability of the City to seek and secure injunctive relief from any competent authority as contemplated herein.

50. INVALIDITY: The invalidity, illegality, or unenforceability of any provision of the Contract shall in no way affect the validity or enforceability of any other portion or provision of the Contract. Any void provision shall be deemed severed from the Contract and the balance of the Contract shall be construed and enforced as if the Contract did not contain the particular portion or provision held to be void. The parties further agree to reform the Contract to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision. The provisions of this section shall not prevent this entire Contract from being void should a provision which is the essence of the Contract be determined to be void.

51. HOLIDAYS: The following holidays are observed by the City:

<u>Holiday</u>	<u>Date Observed</u>
New Year's Day	January 1
Martin Luther King, Jr.'s Birthday	Third Monday in January
President's Day	Third Monday in February
Memorial Day	Last Monday in May
Independence Day	July 4
Labor Day	First Monday in September
Veteran's Day	November 11

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Thanksgiving Day	Fourth Thursday in November
Friday after Thanksgiving	Friday after Thanksgiving
Christmas Eve	December 24
Christmas Day	December 25

If a Legal Holiday falls on Saturday, it will be observed on the preceding Friday. If a Legal Holiday falls on Sunday, it will be observed on the following Monday.

52. **SURVIVABILITY OF OBLIGATIONS:** All provisions of the Contract that impose continuing obligations on the parties, including but not limited to the warranty, indemnity, and confidentiality obligations of the parties, shall survive the expiration or termination of the Contract.

53. **NON-SUSPENSION OR DEBARMENT CERTIFICATION:**

The City of Austin is prohibited from contracting with or making prime or sub-awards to parties that are suspended or debarred or whose principals are suspended or debarred from Federal, State, or City of Austin Contracts. By accepting a Contract with the City, the Vendor certifies that its firm and its principals are not currently suspended or debarred from doing business with the Federal Government, as indicated by the General Services Administration List of Parties Excluded from Federal Procurement and Non-Procurement Programs, the State of Texas, or the City of Austin.

54. **EQUAL OPPORTUNITY**

A. **Equal Employment Opportunity:** No Contractor, or Contractor's agent, shall engage in any discriminatory employment practice as defined in Chapter 5-4 of the City Code. No Offer submitted to the City shall be considered, nor any Purchase Order issued, or any Contract awarded by the City unless the Offeror has executed and filed with the City Purchasing Office a current Non-Discrimination Certification. Non-compliance with Chapter 5-4 of the City Code may result in sanctions, including termination of the contract and the Contractor's suspension or debarment from participation on future City contracts until deemed compliant with Chapter 5-4.

B. **Americans with Disabilities Act (ADA) Compliance:** No Contractor, or Contractor's agent, shall engage in any discriminatory practice against individuals with disabilities as defined in the ADA, including but not limited to: employment, accessibility to goods and services, reasonable accommodations, and effective communications.

55. **BUY AMERICAN ACT-SUPPLIES (Applicable to certain Federally funded requirements)**

A. Definitions. As used in this paragraph –

i. "Component" means an article, material, or supply incorporated directly into an end product.

ii. "Cost of components" means -

- (1) For components purchased by the Contractor, the acquisition cost, including transportation costs to the place of incorporation into the end product (whether or not such costs are paid to a domestic firm), and any applicable duty (whether or not a duty-free entry certificate is issued); or
- (2) For components manufactured by the Contractor, all costs associated with the manufacture of the component, including transportation costs as described in paragraph (1) of this definition, plus allocable overhead costs, but excluding profit. Cost of components does not include any costs associated with the manufacture of the end product.

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- iii. "Domestic end product" means-
 - (1) An unmanufactured end product mined or produced in the United States; or
 - (2) An end product manufactured in the United States, if the cost of its components mined, produced, or manufactured in the United States exceeds 50 percent of the cost of all its components. Components of foreign origin of the same class or kind as those that the agency determines are not mined, produced, or manufactured in sufficient and reasonably available commercial quantities of a satisfactory quality are treated as domestic. Scrap generated, collected, and prepared for processing in the United States is considered domestic.
- iv. "End product" means those articles, materials, and supplies to be acquired under the contract for public use.
- v. "Foreign end product" means an end product other than a domestic end product.
- vi. "United States" means the 50 States, the District of Columbia, and outlying areas.
- B. The Buy American Act (41 U.S.C. 10a - 10d) provides a preference for domestic end products for supplies acquired for use in the United States.
- C. The City does not maintain a list of foreign articles that will be treated as domestic for this Contract; but will consider for approval foreign articles as domestic for this product if the articles are on a list approved by another Governmental Agency. The Offeror shall submit documentation with their Offer demonstrating that the article is on an approved Governmental list.
- D. The Contractor shall deliver only domestic end products except to the extent that it specified delivery of foreign end products in the provision of the Solicitation entitled "Buy American Act Certificate".

EXHIBIT B
CITY OF AUSTIN PURCHASING OFFICE
SECTION 0400: SUPPLEMENTAL PURCHASE PROVISIONS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

The following Supplemental Purchasing Provisions apply to this solicitation:

1. **EXPLANATIONS OR CLARIFICATIONS:** (reference paragraph 5 in Section 0200)

All requests for explanations or clarifications must be submitted in writing to the Purchasing Office, kim.larsen@austintexas.gov, at least nine (9) calendar days prior to the solicitation due date.

2. **ALTERNATE OFFERS:** (reference paragraph 7A in Section 0200)

Alternate Offers will NOT be considered.

3. **INSURANCE:** Insurance is required for this solicitation.

A. **General Requirements:** See Section 0300, Standard Purchase Terms and Conditions, paragraph 32, entitled Insurance, for general insurance requirements.

- i. The Contractor shall provide a Certificate of Insurance as verification of coverages required below to the City at the below address prior to contract execution and within 14 calendar days after written request from the City. Failure to provide the required Certificate of Insurance may subject the Offer to disqualification from consideration for award
- ii. The Contractor shall not commence work until the required insurance is obtained and until such insurance has been reviewed by the City. Approval of insurance by the City shall not relieve or decrease the liability of the Contractor hereunder and shall not be construed to be a limitation of liability on the part of the Contractor.
- iii. The Contractor must also forward a Certificate of Insurance to the City whenever a previously identified policy period has expired, or an extension option or holdover period is exercised, as verification of continuing coverage.
- iv. The Certificate of Insurance, and updates, shall be mailed to the following address:

City of Austin Purchasing Office
P. O. Box 1088
Austin, Texas 78767

OR

PURInsuranceCompliance@austintexas.gov

B. **Specific Coverage Requirements:** The Contractor shall at a minimum carry insurance in the types and amounts indicated below for the duration of the Contract, including extension options and hold over periods, and during any warranty period. These insurance coverages are required minimums and are not intended to limit the responsibility or liability of the Contractor.

- i. **Worker's Compensation and Employers' Liability Insurance:** Coverage shall be consistent with statutory benefits outlined in the Texas Worker's Compensation Act (Section 401). The minimum policy limits for Employer's Liability are \$100,000 bodily injury each accident, \$500,000 bodily injury by disease policy limit and \$100,000 bodily injury by disease each employee.
 - (1) The Contractor's policy shall apply to the State of Texas and include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Form WC420304, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Form WC420601, or equivalent coverage
- ii. **Commercial General Liability Insurance:** The minimum bodily injury and property damage per occurrence are \$500,000 for coverages A (Bodily Injury and Property Damage) and B (Personal and Advertising Injury).
 - (1) The policy shall contain the following provisions:

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- (a) Contractual liability coverage for liability assumed under the Contract and all other Contracts related to the project.
- (b) Contractor/Subcontracted Work.
- (c) Products/Completed Operations Liability for the duration of the warranty period.
- (d) If the project involves digging or drilling provisions must be included that provide Explosion, Collapse, and/or Underground Coverage.
- (2) The policy shall also include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Endorsement CG 2404, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Endorsement CG 0205, or equivalent coverage
 - (c) The City of Austin listed as an additional insured, Endorsement CG 2010, or equivalent coverage
- iii. **Business Automobile Liability Insurance:** The Contractor shall provide coverage for all owned, non-owned and hired vehicles with a minimum combined single limit of \$500,000 per occurrence for bodily injury and property damage. Alternate acceptable limits are \$250,000 bodily injury per person, \$500,000 bodily injury per occurrence and at least \$100,000 property damage liability per accident.
 - (1) The policy shall include these endorsements in favor of the City of Austin:
 - (a) Waiver of Subrogation, Endorsement CA0444, or equivalent coverage
 - (b) Thirty (30) days Notice of Cancellation, Endorsement CA0244, or equivalent coverage
 - (c) The City of Austin listed as an additional insured, Endorsement CA2048, or equivalent coverage.

C. **Endorsements:** The specific insurance coverage endorsements specified above, or their equivalents must be provided. In the event that endorsements, which are the equivalent of the required coverage, are proposed to be substituted for the required coverage, copies of the equivalent endorsements must be provided for the City's review and approval.

D. **Professional Liability:** The Contractor shall provide coverage, at a minimum limit of \$1,000,000 per claim, to pay on behalf of the assured all sums which the assured shall become legally obligated to pay as damages by reason of any negligent act, error, or omission arising out of the performance of professional services under this Agreement.

If coverage is written on a claims-made basis, the retroactive date shall be prior to or coincident with the date of the Contract and the certificate of insurance shall state that the coverage is claims-made and indicate the retroactive date. This coverage shall be continuous and will be provided for 24 months following the completion of the contract.

4. **TERM OF CONTRACT:**

A. The Contract shall commence upon execution and shall remain in effect five (5) consecutive annual benefit terms, for a total of sixty (60) months. Benefit terms are as follows:

January 1, 2019 – December 31, 2019
January 1, 2020 – December 31, 2020
January 1, 2021 – December 31, 2021
January 1, 2022 – December 31, 2022
January 1, 2023 – December 31, 2023

B. Annual premium prices are firm and fixed for the term of sixty (60) months.

5. **QUANTITIES:** The quantities listed herein are estimates for the period of the Contract. The City reserves the right to purchase more or less of these quantities as may be required during the Contract term. Quantities will be as needed and specified by the City for each order. Unless specified in the solicitation, there are no minimum order quantities.

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6. **DELIVERY REQUIREMENTS:**

Location:

Days:

Employee Benefits

M - F

505 Barton Springs Rd., Ste. 600

Austin, TX 78767

- A. Delivery is to be made within the number of calendar days as indicated in Section 0500. All orders must be shipped complete unless arrangements for partial shipments are made in advance.
- B. The Contractor shall provide, with each delivery, a Shipping or Delivery Ticket showing the description of each item, quantity, and unit price.
- C. The Contractor shall confirm the quantity to be shipped on all orders within two (2) hours of notification by phone from the City.
- D. Unless requested by the City, deliveries shall not be made on City-recognized legal holidays (see paragraph 51 in Section 0300).

7. **INVOICES and PAYMENT:** (reference paragraphs 12 and 13 in Section 0300)

- A. The City will self-bill for premiums owed to the Contractor on a monthly basis. The City will calculate monthly fees owed to the Contractor for Covered Person's using enrollment information as of the first day of each month, provided by the City's Third Party Administrator (TPA). Contractor shall honor the enrollment dates of employees who enroll after the first day of each month. The Contractor will be paid for these persons beginning the following month.
- B. The Contractor agrees to accept payment by either credit card, check or Electronic Funds Transfer (EFT) for all goods and/or services provided under the Contract. The Contractor shall factor the cost of processing credit card payments into the Offer. There shall be no additional charges, surcharges, or penalties to the City for payments made by credit card.

8. **LIQUIDATED DAMAGES:** Time is of the essence in the performance of the Contract; therefore, the Contractor shall strictly adhere to the Contract delivery schedule. No changes in the delivery schedule shall be effective unless in writing executed by both the City and the Contractor. The parties agree that if, due to no fault of the City, delivery of any material or performance of any service is delayed beyond the time specified in the Contract, the actual damages sustained by the City because of such delay will be uncertain and difficult to determine, and that the reasonable foreseeable damage incurred by the City is hereby stipulated to be calculated at the percentages shown on Attachment 7, Performance Measures and Liquidated Damages.

9. **RECYCLED PRODUCTS:**

- A. The City prefers that Offerors offer products that contain recycled materials. When a recycled product is offered by the Offeror, the Offeror must state in their Offer the percentage of the product that is recycled and must include a list of the recycled materials that are contained in the product.
- B. The recycled content of paper products offered to the City shall be in accordance with the Federal Environmental Protection Agency's Recycled Product Procurement Guidelines. These guidelines are available at <http://www.epa.gov/cpg/>.

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10. **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING:**

- A. On November 10, 2011, the Austin City Council adopted Ordinance No. 20111110-052 amending Chapter 2.7, Article 6 of the City Code relating to Anti-Lobbying and Procurement. The policy defined in this Code applies to Solicitations for goods and/or services requiring City Council approval under City Charter Article VII, Section 15 (Purchase Procedures). During the No-Contact Period, Offerors or potential Offerors are prohibited from making a representation to anyone other than the Authorized Contact Person in the Solicitation as the contact for questions and comments regarding the Solicitation.
- B. If during the No-Contact Period an Offeror makes a representation to anyone other than the Authorized Contact Person for the Solicitation, the Offeror's Offer is disqualified from further consideration except as permitted in the Ordinance.
- C. If an Offeror has been disqualified under this article more than two times in a sixty (60) month period, the Purchasing Officer shall debar the Offeror from doing business with the City for a period not to exceed three (3) years, provided the Offeror is given written notice and a hearing in advance of the debarment.
- D. The City requires Offerors submitting Offers on this Solicitation to certify that the Offeror has not in any way directly or indirectly made representations to anyone other than the Authorized Contact Person during the No-Contact Period as defined in the Ordinance. The text of the City Ordinance is posted on the Internet at: <http://www.ci.austin.tx.us/edims/document.cfm?id=161145>

11. **NON-SOLICITATION:**

- A. During the term of the Contract, and for a period of six (6) months following termination of the Contract, the Contractor, its affiliate, or its agent shall not hire, employ, or solicit for employment or consulting services, a City employee employed in a technical job classification in a City department that engages or uses the services of a Contractor employee.
- B. In the event that a breach of Paragraph A occurs the Contractor shall pay liquidated damages to the City in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation; or (ii) 100% percent of the employee's annual compensation while employed by the City. The Contractor shall reimburse the City for any fees and expenses incurred in the enforcement of this provision.
- C. During the term of the Contract, and for a period of six (6) months following termination of the Contract, a department that engages the services of the Contractor or uses the services of a Contractor employee will not hire a Contractor employee while the employee is performing work under a Contract with the City unless the City first obtains the Contractor's approval.
- D. In the event that a breach of Paragraph C occurs, the City shall pay liquidated damages to the Contractor in an amount equal to the greater of: (i) one (1) year of the employee's annual compensation or (ii) 100% percent of the employee's annual compensation while employed by the Contractor.

12. **WORKFORCE SECURITY CLEARANCE AND IDENTIFICATION (ID):**

- A. Access to City buildings by the Contractor, all subcontractors and their employees will be strictly controlled at all times by the City. Security badges will be issued by the Department for this purpose. The Contractor shall submit a complete list of all persons requiring access to City buildings at least thirty (30) days in advance of their need for access. The City reserves the right to deny a security badge to any Contractor personnel for reasonable cause. The City will notify the Contractor of any such denial no more than twenty (20) days after receipt of the Contractor's submittal.
- B. Where denial of access by a particular person may cause the Contractor to be unable to perform any portion of the work of the contract, the Contractor shall so notify the City's Contract Manager, in writing, within ten (10) days of the receipt of notification of denial.

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- C. Contractor personnel will be required to check in at the security desk when entering or leaving City buildings and security badges must be on display at all times when in the building. Failure to do so may be cause for removal of Contractor Personnel from the worksite, without regard to Contractor's schedule. Security badges may not be removed from the premises.
- D. The Contractor shall provide the City's Contract Manager with a list of personnel scheduled to enter the building, seven days in advance. The list shall identify the persons by name, date of birth, driver's license number, the times that they will be inside the building and the areas where they will be working. Only persons previously approved by the City for the issuance of security badges will be admitted to the building.
- E. The Contractor shall comply with all other security requirements imposed by the City and shall ensure that all employees and subcontractors are kept fully informed as to these requirements.

13. **MONTHLY SUBCONTRACT AWARDS AND EXPENDITURES REPORT:** (reference paragraph 18 in Section 0300) (applicable when an MBE/WBE Compliance Plan is required)

- A. The Contractor must submit a monthly Subcontract Awards and Expenditures Report to the Contract Manager specified herein and to the Purchasing Office Contract Compliance Manager no later than the tenth calendar day of each month.
- B. Mail the Purchasing Office Copy of the report to the following address:

City of Austin
Purchasing Office
Attn: Contract Compliance Manager
P. O. Box 1088
Austin, Texas 78767

14. **INTERLOCAL PURCHASING AGREEMENTS:** (applicable to competitively procured goods/services contracts).

- A. The City has entered into Interlocal Purchasing Agreements with other governmental entities, pursuant to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Contractor agrees to offer the same prices and terms and conditions to other eligible governmental agencies that have an interlocal agreement with the City.
- B. The City does not accept any responsibility or liability for the purchases by other governmental agencies through an interlocal cooperative agreement.

15. **OWNERSHIP AND USE OF DELIVERABLES:** The City shall own all rights, titles, and interests throughout the world in and to the Deliverables.

- A. **Patents:** As to any patentable subject matter contained in the Deliverables, the Contractor agrees to disclose such patentable subject matter to the City. Further, if requested by the City, the Contractor agrees to assign and, if necessary, cause each of its employees to assign the entire right, title, and interest to specific inventions under such patentable subject matter to the City and to execute, acknowledge, and deliver and, if necessary, cause each of its employees to execute, acknowledge, and deliver an assignment of letters patent, in a form to be reasonably approved by the City, to the City upon request by the City.
- B. **Copyrights:** As to any Deliverable containing copyrighted subject matter, the Contractor agrees that upon their creation, such Deliverables shall be considered as work made-for-hire by the Contractor for the City and the City shall own all copyrights in and to such Deliverables, provided however, that nothing in this Paragraph 36 shall negate the City's sole or joint ownership of any such Deliverables arising by virtue of the City's sole or joint authorship of such Deliverables. Should by operation of law, such Deliverables not be considered

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work made-for-hire, the Contractor hereby assigns to the City (and agrees to cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver an assignment to the City of Austin) all worldwide right, title, and interest in and to such Deliverables. With respect to such work made-for-hire, the Contractor agrees to execute, acknowledge and deliver and cause each of its employees providing services to the City hereunder to execute, acknowledge, and deliver a work-for-hire agreement, in a form to be reasonably approved by the City, to the City upon delivery of such Deliverables to the City or at such other time as the City may request.

- C. **Additional Assignments:** The Contractor further agrees to, and if applicable, cause each of its employees to execute, acknowledge, and deliver all applications, specifications, oaths, assignments, and all other instruments which the City might reasonably deem necessary in order to apply for and obtain copyright protection, mask work registration, trademark registration and/or protection, letters patent, or any similar rights in any and all countries and in order to assign and convey to the City, its successors, assigns, and nominees, the sole and exclusive right, title, and interest in and to the Deliverables, The Contractor's obligations to execute acknowledge, and deliver (or cause to be executed, acknowledged, and delivered) instruments or papers such as those described in this Paragraph 36 A., B., and C. shall continue after the termination of this Contract with respect to such Deliverables. In the event the City should not seek to obtain copyright protection, mask work registration or patent protection for any of the Deliverables, but should arise to keep the same secret, the Contractor agrees to treat the same as Confidential Information under the terms of Paragraph above.

16. **CONTRACT MANAGER:** The following person is designated as Contract Manager, and will act as the contact point between the City and the Contractor during the term of the Contract:

Lisa Herrera

*Note: The above listed Contract Manager is not the authorized Contact Person for purposes of the **NON-COLLUSION, NON-CONFLICT OF INTEREST, AND ANTI-LOBBYING Provision** of this Section; and therefore, contact with the Contract Manager is prohibited during the no contact period.

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SECTION 0500: SCOPE OF WORK
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Group Pre-Paid Legal Plan

1.0 PURPOSE:

The City of Austin, hereinafter referred to as the "City," seeks proposals in response to this Request for Proposal (RFP) from qualified companies who can provide a Group Pre-Paid Legal Plan for City employees and employees of Affiliated Employers (the City of Austin Employees' Retirement System, the Austin Fire Fighters Relief and Retirement Fund and the Austin Police Retirement System), hereinafter referred to as "Covered Persons", effective January 1, 2019.

2.0 BACKGROUND:

ARAG Legal Insurance is the current Contractor for this program. As of January 2018, 12,753 employees are eligible to participate in the Pre-Paid Legal Plan, of those 2,161 have employee only coverage, 2,343 employee and family coverage. The Pre-Paid Legal Plan is payroll deducted over 24 pay periods. The current Contractor assisted with 2,178 legal issues, and has not experienced any network deficiencies. The current benefit coverage period began January 1, 2013 and will end December 31, 2018.

The City operates on a fiscal year beginning October 1 and continuing through September 30. The City's benefit plan year is January 1 to December 31.

2.1 Exhibits:

Exhibit 1 – City of Austin Enrollment/Rate History (2013 – December, 2017)

Exhibit 2 – City of Austin ARAG Pre-Paid Certificate of Benefits

Exhibit 3 – 2018 Employee Benefits Guide

Exhibit 4 – ARAG Claim Utilization Report (2013 – 2016)

3.0 GENERAL INFORMATION:

The City will accept Proposals from companies and brokers. Companies are not required to have a broker represent them; the City will contract directly with the proposing company, not the broker.

However, if the City receives more than one (1) proposal for any given company, all proposals for that company will be rejected. No commissions or finder's fee shall be paid to agents and brokers.

4.0 SCOPE OF WORK:

General Requirements:

4.1 Contractor shall administer the pre-paid legal plan in strict compliance with applicable federal, state and local laws.

4.2 Contractor shall monitor, on an ongoing basis, all related federal and state legislative activity and inform the City of all bills under consideration that could potentially affect the City's ability to provide Pre-Paid Legal benefits to Covered Persons.

4.3 Contractor shall have and provide a Quality Control/Assurance Plan.

4.4 Contractor shall have and provide a plan to manage information that is proprietary to the eligible or enrolled employees and their dependents (Confidential Information), such as names, addresses, gender and identification numbers.

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Plan Design:

- 4.5 Contractor shall, at a minimum, offer the same Pre-Paid Legal Plan benefits in accordance with the current legal plan (**Exhibit 2**) and shall be available to Covered Employees, at a minimum, one time per calendar year per individual.
- 4.6 The proposed plan shall not allow Covered Person's or Covered Person's dependents to use the services available through a contracted firm providing the Group Legal Plan to take legal action against the City of Austin.
- 4.7 The plan may not include provisions, which might exclude certain Covered Person's from coverage for any reason.

Eligibility:

- 4.8 The City determines eligibility and the Contractor agrees to abide by the City's policies and procedures regarding eligibility and effective dates for all Covered Persons. See **Exhibit 3 – 2018 Employee Benefits Guide** for eligibility information.
- 4.9 A Conversion policy shall be available to all Covered Persons. If a Covered Person terminates employment, he/she shall be entitled to convert coverage to an individual policy. This conversion right shall also apply to dependents that cease to be insured because the Covered Person has terminated, retired, died, or is no longer eligible. The City shall not be charged for conversion fees.
- 4.10 Coverage shall include married and unmarried dependent children and dependent grandchildren up to age twenty-six (26) that the City determines eligible.
- 4.11 Coverage shall include domestic partners and children of domestic partners that the City determines eligible.
- 4.12 Contractor shall be able to assign an identifier other than the Covered Persons' social security number.
- 4.13 Contractor shall be able to accept enrollment information electronically every pay period in the 834-file layout format required by HIPAA. The Contractor shall work with City's Third-Party Administrator (TPA) vendor regarding file layout and transmittal of files. Error reports shall be provided to the City and its TPA vendor. The TPA vendor is CompuSys/Erisa Group Inc.
- 4.14 Contractor shall maintain eligibility and claims records/history on each Covered Person. Electronic and/or paper copies of enrollment/change forms should be maintained and made available to the City upon request.

Transition and Implementation Timeline:

- 4.15 Within 30 days of contract award, the Contractor shall meet with the City to finalize the plan design, administrative procedures, and expectations. Within thirty (30) days of the meeting, the Contractor shall provide the City with three (3) hardcopies of an administrative manual detailing the plan design, administrative procedures, and expectations as agreed upon during the meeting.
- 4.16 Contractor shall provide training and education sessions for City staff (approximately 10 employees) concerning all facets of program administration within the first thirty (30) days of contract execution.

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- 4.17 Contractor shall prepare for and attend all employer-requested meetings and presentations. This includes approximately 90 presentations during the annual Open Enrollment period. Open Enrollment occurs during mid-October through mid-November of each year.
- 4.18 Contractor shall file and obtain approval by the Texas Department of Insurance for any agreed upon modifications by **September 17, 2018**.
- 4.19 Contractor shall prepare and deliver approximately 6,000 Open Enrollment materials as specified by the City, by the second Friday of September for each plan year. The City prefers that the enrollment materials be printed on recycled paper in accordance with EPA guidelines.
- 4.20 Customer Service line shall be operational by 7:30 a.m., Monday, October 15, 2018.
- 4.21 Open Enrollment eligibility files shall be loaded in the Contractors system by November 30, 2018. Contractor shall work with the City's TPA to obtain current eligibility data to upload in Contractor's eligibility system and be operational January 1, 2019.
- 4.22 Annual ID cards, if applicable, shall be received by Covered Persons on or before December 31st of each year.
- 4.23 Contractor shall be fully operational, including ability to verify eligibility; verify benefits; and process claims, as of 12:01 a.m. on January 1, 2019.
- 4.24 The Contractor shall meet the same timeline requirements for each annual benefit period.

Communication

- 4.25 Contractor shall provide all required written employee communication materials including, but not limited to: enrollment materials, certificates of coverage, provider directories, and member identification cards. All materials and communications shall be approved by City staff prior to distribution and formatted in easy to understand language. The cost of these materials shall be included in proposed rates.
- 4.26 Contractor shall mail ID cards and Certificates of Coverage to covered persons home address. This includes open enrollment, replacement cards, and cards for new enrollees throughout the plan year. All costs, including postage, shall be included in the Proposer's proposed rates.
- 4.27 Contractor shall, upon request, provide the City and employees with hardcopy directories of Network Providers. Telephonic and Internet access to network providers shall be available in addition to the directories.

System, Reporting, and Financial Analysis:

- 4.28 Contractor shall have a disaster recovery program in place to ensure the integrity of data in case of a disaster.
- 4.29 Contractor shall provide monthly eligibility and utilization reports and other reports as required by the City by the 10th business day of the following month.
- 4.30 Contractor shall provide quarterly and annual reports within sixty (60) days after the end of the reporting period.
- 4.31 Contractor shall be able to provide at a minimum, similar reports as shown in **Exhibit 4**, ARAG Utilization Report (2013 - 2016).

Rates and Premium Amounts:

- 4.32 Contractor shall provide rates for two categories: Employee Only, Employee and Family.
- 4.33 Contractor shall provide rates based on the Covered Person paying the full cost.

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- 4.34 Contractor shall guarantee rates for the entire sixty (60) month term regardless of actual enrollment.
- 4.35 Contractor agrees that all costs for requirements listed in this RFP, shall be included as part of the Contractor's basic rate; and inclusive of labor, materials, supplies, printing, postage, travel, and all costs and fees including administrative burden for providing the Pre-paid Legal program.
- 4.36 Contractor shall not change benefits or rates for the term of this contract without prior City approval. Any changes recommended for any renewal period shall be approved and agreed upon in advance and in writing by the City.
- 4.37 City will calculate monthly fees owed to the Contractor for Covered Person's using enrollment information received from the City's TPA that includes the first day of each month. Contractor shall honor the enrollment dates of employees who enroll after the first day of each month. Contractor shall be paid for these Covered Persons beginning the following month.
- 4.38 The City's payment for all Covered Persons will be made to the Contractor by check no later than the last day of the following month for which payment is being made. The City's payment will be considered made on the payment postmark date.
- 4.39 Contractor is responsible for reconciling the account monthly and notifying the City of any questions or discrepancies within 15 days of receipt of payment. If the Contractor fails to remain current with the monthly reconciliation report the Contractor shall assume the liability for lost revenue.

Customer Service:

- 4.40 Contractor shall provide a toll-free number and a text telephone line.
- 4.41 Contractor shall have customer service staff available to answer questions Monday through Friday from 7:30 a.m. to 5:00 p.m. Central Time.
- 4.42 Contractor shall answer customer service calls on average within 30 seconds.
- 4.43 The City requires that the Contractor respond to customer service calls within 24 hours of receipt of a call, and customer complaints regarding the plan be handled and resolved within 48 hours of receipt of a complaint. The City shall be notified if additional time is required to resolve an inquiry/complaint.
- 4.44 Contactor's customer service shall include, at a minimum; verification of eligibility and benefits; claims inquires; problem resolution; plan education; and provider information. Complaints regarding the Group Pre-paid Legal Plan made by Covered Persons to the City shall be monitored and reported to the Contractor upon occurrence as well as in a quarterly review.

Business Organization:

- 4.45 Contractor shall have a minimum of one (1) year public sector experience similar in size and scope to the City of Austin and currently have public sector clients.
- 4.46 Contractor shall be registered in the State of Texas. Provide a copy of your Texas registration with your offer.

5.0 PERFORMANCE MEASURES & LIQUIDATED DAMAGES

- 5.1 **The Performance Measures (Attachment 6) are to be City specific**, not the Contractor's entire book of business. Performance measures shall be calculated and paid annually.

CITY OF AUSTIN PURCHASING OFFICE
SECTION 0600: PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

1. PROPOSAL FORMAT:

Submit one original paper copy and an electronic copy of the original proposal in PDF version on a flash drive. The original proposal shall contain ink signatures and shall be typed on standard 8 ½" X 11" paper, double-sided, and have consecutively numbered pages.

The proposal itself shall be organized in the following format and informational sequence. Use tabs to divide each part of the Proposal and include a Table of Contents:

Section I

Tab 1 – City of Austin Standard Purchasing Office Documents - Complete and submit the following documents in Tab 1:

- A. Signed Offer Sheet
- B. Section 0605 Local Business Presence Identification Form
- C. Section 0800 Non-Discrimination and Non-Retaliation Certification
- D. Section 0835 Nonresident Bidder Provisions
- E. Section 0840 Service-Disabled Veteran Business Enterprise
- H. Section 0900 Subcontracting/Sub-consulting Utilization Form
- I. Section 0905 Subcontracting/Sub-consulting Utilization Plan

Tab 2 – Authorized Negotiator: Include name, mailing address, email address, and telephone number of the officer or other representative in your organization authorized to negotiate and execute binding contract terms.

Tab 3 – References: Provide a list of five (5) current or previous clients (at least two (2) from the public sector) who have utilized your Group Pre-Paid Legal Plan. All client reference information must be supported and verified. Reference contacts must be aware that they are being used and agreeable to City interview for follow-up. References shall include the following:

- Agency/Company
- Number of employees
- Year contract was awarded and length of contract
- Agency contract manager
- Title
- Direct telephone number
- Email address

Tab 4 – Executive Summary: Proposer shall provide an Executive Summary of three (3) pages or less, in concise terms, a summation of the proposal. Include the number of years your company has been in business, a summary of your company's history and experience, and how your organization will exceed the performance of other vendors in relation to the scope of work, and especially in relation to claims administration and customer service. Please also address how your organization will serve the City of Austin's needs relative to the needs of your other clients.

Tab 5 – Personnel, Qualifications/Certifications, and Experience: Provide a general explanation and organization chart which specifies project leadership and reporting responsibilities; and interface the team with City project management and team personnel. If the use of subcontractors is proposed, identify their placement in the primary management structure, and provide internal management description for each subcontractor.

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Identify all key persons and their title, including the account manager, who will be assigned to the City of Austin and include the following:

- A. The number of clients they are responsible for
- B. Percentage of time they will be allocated to the City of Austin
- C. Office location

Tab 6 – Compliance to Requirements/Proposed Solution: Define in detail your understanding of the requirements presented in Section 4.0 Scope of Work 4.1 – 4.46 and your solution to meet or exceed these requirements. Please include your Quality Control/Assurance plan and your process/procedure to maintain Confidential Information in Section 0500 Scope of Work, 4.3 and 4.4. Provide all details necessary to evaluate your proposal.

Tab 7 – Attachments 1-10: Fill out the following forms and place them in this tab. These forms will be used to confirm compliance to the Scope of Work and evaluate your offer.

- Attachment 1 - HIPAA Business Associate Agreement
- Attachment 2 - Exceptions to the Solicitation
- Attachment 3 - Customer Service Information
- Attachment 4 - Account Team Information
- Attachment 5 - Business Organization: Include proof of registration to provide legal services in the State of Texas
- Attachment 6 - Performance Measures and Liquidated Damages
- Attachment 7 - Benefits and Coverage Amounts
- Attachment 8 - Scope of Work Response Form
- Attachment 9 - Listing of Attorneys by County
- Attachment 10 – Additional Services

Section II

Price Proposal - Complete and submit Section 0610 Rate Sheet. Fill in any of the sections that are applicable to the plan your company is proposing. If pricing for these services are not submitted on Section 0610 Design Rate Sheet, then the Offeror may be deemed nonresponsive.

Section III

Proposal Acceptance Period: All proposals are valid for a period of one hundred and eighty (180) calendar days after the RFP closing date unless a longer acceptance period is offered in the proposal.

Proprietary Information: All material submitted to the City becomes public property and is subject to Texas Open Records Act upon receipt. If a Proposer does not desire proprietary information in the Proposal to be disclosed, each page must be identified and marked proprietary at time of submittal. The City will, to the extent allowed by law, endeavor to protect such information from disclosure. The final decision as to what information must be disclosed, however, lies with the Texas Attorney General. Failure to identify proprietary information will result in all unmarked sections being deemed non-proprietary and available upon public request.

Proposal Preparation Costs: All costs directly or indirectly related to preparation of a response to the RFP or any oral presentation required to supplement and/or clarify a Proposal which may be required by the City shall be the sole responsibility of the Proposer.

CITY OF AUSTIN PURCHASING OFFICE
SECTION 0600: PROPOSAL PREPARATION INSTRUCTIONS AND EVALUATION FACTORS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

Compliance: The Proposer agrees to compliance with terms of this Request for Proposal (RFP) and with all applicable rules and regulations of Federal, State, and Local governing entities.

Service-Disabled Veteran Business Enterprise (“SDVBE”): Pursuant to the interim Service-Disabled Veteran Business Enterprise (SDVBE) Program, Offerors submitting proposals in response to a Request for Proposals shall receive a three-point (3 percent) preference if the Offeror, at the same time the proposal is submitted, is certified by the State of Texas, Comptroller of Public Accounts as a Historically Underutilized Business and is a Service-Disabled Veteran Business Enterprise. This preference does not apply to subcontractors. To receive this preference, Offerors shall complete the enclosed Section 0840 Service-Disabled Veterans Business Enterprise Preference Form, in accordance with the Additional Solicitation Instructions included therein.

Section IV

EVALUATION FACTORS AND AWARD:

A. Competitive Selection: This procurement will comply with applicable City Policy. The successful Proposer will be selected by the City on a rational basis. Evaluation factors outlined in Paragraph B below shall be applied to all eligible, responsive Proposers in comparing proposals and selecting the Best Offeror. Award of a Contract may be made without discussion with Proposers after proposals are received. Proposals should, therefore, be submitted on the most favorable terms.

B. Evaluation Factors: All Proposals will be evaluated based on the following criteria and rankings.

Maximum 100 points.

1. **Price Proposal:** Whichever Offeror offers the City the most competitive rates will be awarded the maximum amount of points. Remaining points will be distributed on a pro-rated basis – Reference Section II (32 points)
2. **Compliance to Requirements** – reference Section I, Tab 6 (30 points)
3. **Applicable Experience** – reference Section I, Tab 3, Tab 4 and Tab 5 (25 points)
4. **Service-Disabled Veteran Business Enterprise** – reference Section 0840 SDVBE Contractor Certification (Maximum 3 points)
4. **Local Business Presence: (Maximum 10 points)**

Team’s Local Business Presence	Points Awarded
Local business presence of 90% to 100%	10
Local business presence of 75% to 89%	8
Local business presence of 50% to 74%	6
Local business presence of 25% to 49%	4
Local presence of between 1 and 24%	2
No local presence	0

Presentations, Demonstrations Optional. The City will score proposals based on the criteria listed above. The City may select a “short list” of Proposers based on those scores. “Short-listed” Proposers may be invited for presentations, or demonstrations with the City. The City reserves the right to re-score “short-listed” proposals as a result, and to make award recommendations on that basis.

EXHIBIT B

Section 0605: Local Business Presence Identification

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this Contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

OFFEROR MUST SUBMIT THE FOLLOWING INFORMATION FOR EACH LOCAL BUSINESS (INCLUDING THE OFFEROR, IF APPLICABLE) TO BE CONSIDERED FOR LOCAL PRESENCE.

NOTE: ALL FIRMS MUST BE IDENTIFIED ON THE MBE/WBE COMPLIANCE PLAN OR NO GOALS UTILIZATION PLAN (REFERENCE SECTION 0900).

USE ADDITIONAL PAGES AS NECESSARY

OFFEROR:

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years?	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

EXHIBIT B

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

EXHIBIT B

**City of Austin, Texas
Section 0800
NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION**

City of Austin, Texas

Equal Employment/Fair Housing Office

To: City of Austin, Texas,

I hereby certify that our firm complies with the Code of the City of Austin, Section 5-4-2 as reiterated below, and agrees:

- (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter, including affirmative action relative to employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training or any other terms, conditions or privileges of employment.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Equal Employment/Fair Housing Office setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with City and the Equal Employment/Fair Housing Office in connection with any investigation or conciliation effort of the Equal Employment/Fair Housing Office to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require of all subcontractors having 15 or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with the City subject to the terms of this chapter that they do not engage in any discriminatory employment practice as defined in this chapter.

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Non-Discrimination and Non-Retaliation Policy set forth below.

**City of Austin
Minimum Standard Non-Discrimination and Non-Retaliation in Employment Policy**

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

The Contractor agrees to prohibit retaliation, discharge or otherwise discrimination against any employee or applicant for employment who has inquired about, discussed or disclosed their compensation.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of

EXHIBIT B

this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination and non-retaliation employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE THE CITY A COPY OF THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICIES ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION AND NON-RETALIATION POLICIES, AS SET FORTH HEREIN, **OR** THIS NON-DISCRIMINATION AND NON-RETALIATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 and the City's Non-Retaliation Policy may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4 and the Non-Retaliation Policy.

Term:

The Contractor agrees that this Section 0800 Non-Discrimination and Non-Retaliation Certificate of the Contractor's separate conforming policy, which the Contractor has executed and filed with the City, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payment, the Contractor's Non-Discrimination and Non-Retaliation Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this _____ day of _____, _____

CONTRACTOR	_____
Authorized Signature	_____
Title	_____

EXHIBIT B

Section 0835: Non-Resident Bidder Provisions

Company Name _____

Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

- A. Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

Answer: _____

- (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
- (2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder is a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

Answer: _____ **Which State:** _____

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

Answer: _____

EXHIBIT B

Section 0840, Service-Disabled Veteran Business Enterprise Preference

Offeror Name

Additional Solicitation Instructions.

- ☐ By checking this box, Offeror states they are NOT a certified Service-Disabled Veteran Business Enterprise seeking to claim preference points under the City of Austin's SDVBE Program.
- Offerors seeking to claim the Service-Disabled Veteran Business Enterprise (SDVBE) preference shall be certified **under one of the two following scenarios**. Offerors shall check one of the following boxes, input the data in the applicable table below and include this completed form in their Proposal.
 - ☐ **HUB/SV**. Offeror is certified as a Service-Disabled Veteran (SV) Historically Underutilized Business (HUB) by the Texas State Comptroller of Public Accounts.

Texas State HUB/SV Certification	
13-Digit Vendor ID (VID)	
HUB/SV Issue Date	
HUB/SV Expiration Date	

- ☐ **HUB/OTHER + Federal SDVOSB**. Offeror is certified by the Texas State Comptroller of Public Accounts as a Historically Underutilized Business in a HUB Eligibility Category other than Service-Disabled Veteran (SV) AND is verified by the US Veterans Administration as a Service-Disabled Veteran-Owned Small Business (SDVOSB). **Texas HUB Eligibility Categories:** HUB/BL (Black), HUB/AS (Asian), HUB/HI (Hispanic), HUB/AI (Native American), or HUB/WO (Women Owned).

Texas State HUB/OTHER Certification	
13-Digit Vendor ID (VID)	
HUB Eligibility Category	
HUB Issue Date	
HUB Expiration Date	

Federal SDVOSB Verification	
9-Digit DUNS	
SDVOSB Issue Date	
SDVOSB Expiration Date	

- Offeror Identity**. The Offeror submitting the Proposal shall be the same entity that is certified by the Texas State Comptroller of Public Accounts, AND if applicable as verified by the US Veterans Administration.
- Certification Status**. Offeror's certification(s) must be active on or before the Solicitation's due date for Proposals and shall not expire prior to the award and execution of any resulting contract.
- Confirmation of Certification(s)**. Upon receipt of this completed form, the City will confirm the Offeror's certification(s): State: <https://mycpa.cpa.state.tx.us/tpasscmbsearch>. Federal: <https://www.vip.vetbiz.gov/>. The City will direct any questions concerning an Offeror's State or Federal certification status to the Offeror's contact person as designated on the Offer Form of their Proposal.
- Misrepresentation**. If the City determines that the Offeror requesting this preference is not certified by the State or Federal government if applicable, the Offeror will not receive the preference points. If the City determines that this misrepresentation was intentional, the City may also find the Offeror not responsible and may report the Offeror to the Texas State Comptroller of Public Accounts or if applicable to the US Veterans Administration. If the misrepresentation is discovered after contract award, the City reserves the right to void the contract.

EXHIBIT B

Section 0900: SUBCONTRACTING/SUB-CONSULTING UTILIZATION FORM

EXHIBIT B
MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM
Subcontracting/Sub-Consulting (“Subcontractor”) Utilization Form

SOLICITATION NUMBER: RFP 5800 KDS3002
SOLICITATION TITLE: Group Pre-Paid Legal Plan

In accordance with the City of Austin’s Minority and Women-Owned Business Enterprises (M/WBE) Procurement Program (Program), Chapters 2-9A/B/C/D of the City Code and M/WBE Program Rules, this Solicitation was reviewed by the Small and Minority Business Resources Department (SMBR) to determine if M/WBE Subcontractor/Sub-Consultant (“Subcontractor”) Goals could be applied. Due to insufficient subcontracting/subconsultant opportunities and/or insufficient availability of M/WBE certified firms, SMBR has assigned no subcontracting goals for this Solicitation. However, Offerors who choose to use Subcontractors must comply with the City’s M/WBE Procurement Program as described below. Additionally, if the Contractor seeks to add Subcontractors after the Contract is awarded, the Program requirements shall apply to any Contract(s) resulting from this Solicitation.

Instructions:

- a.) Offerors who do not intend to use Subcontractors shall check the “NO” box and follow the corresponding instructions.
b.) Offerors who intend to use Subcontractors shall check the applicable “YES” box and follow the instructions. **Offers that do not include the following required documents shall be deemed non-compliant or nonresponsive as applicable, and the Offeror’s submission may not be considered for award.**

☐ **NO, I DO NOT intend to use Subcontractors/Sub-consultants.**

Instructions: Offerors that do not intend to use Subcontractors shall complete and sign this form below (Subcontracting/Sub-Consulting (“Subcontractor”) Utilization Form) and include it with their sealed Offer.

☐ **YES, I DO intend to use Subcontractors /Sub-consultants.**

Instructions: Offerors that do intend to use Subcontractors shall complete and sign this form below (Subcontracting/Sub-Consulting (“Subcontractor”) Utilization Form), and follow the additional Instructions in the (Subcontracting/Sub-Consulting (“Subcontractor”) Utilization Plan). Contact SMBR if there are any questions about submitting these forms.

Offeror Information			
Company Name			
City Vendor ID Code			
Physical Address			
City, State Zip			
Phone Number		Email Address	
Is the Offeror City of Austin M/WBE certified?	<input type="checkbox"/> NO <input type="checkbox"/> YES Indicate one: <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> MBE/WBE Joint Venture		
<p>Offeror Certification: I understand that even though SMBR did not assign subcontract goals to this Solicitation, I will comply with the City’s M/WBE Procurement Program if I intend to include Subcontractors in my Offer. I further agree that this completed Subcontracting/Sub-Consulting Utilization Form, and if applicable my completed Subcontracting/Sub-Consulting Utilization Plan, shall become a part of any Contract I may be awarded as the result of this Solicitation. Further, if I am awarded a Contract and I am not using Subcontractor(s) but later intend to add Subcontractor(s), before the Subcontractor(s) is hired or begins work, I will comply with the City’s M/WBE Procurement Program and submit the Request For Change form to add any Subcontractor(s) to the Project Manager or the Contract Manager for prior authorization by the City and perform Good Faith Efforts (GFE), if applicable. I understand that, if a Subcontractor is not listed in my Subcontracting/Sub-Consulting Utilization Plan, it is a violation of the City’s M/WBE Procurement Program for me to hire the Subcontractor or allow the Subcontractor to begin work, unless I first obtain City approval of my Request for Change form. I understand that, if a Subcontractor is not listed in my Subcontracting/Sub-Consulting Utilization Plan, it is a violation of the City’s M/WBE Procurement Program for me to hire the Subcontractor or allow the Subcontractor to begin work, unless I first obtain City approval of my Request for Change form.</p> <div style="display: flex; justify-content: space-between; margin-top: 20px;"> <div style="width: 45%; border-bottom: 1px solid black;"></div> <div style="width: 45%; border-bottom: 1px solid black;"></div> </div> <div style="display: flex; justify-content: space-between; margin-top: 10px;"> Name and Title of Authorized Representative (Print or Type) Signature/Date </div>			

EXHIBIT B

Section 0905: SUBCONTRACTING/SUB-CONSULTING UTILIZATION PLAN

EXHIBIT B
MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM
Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan

SOLICITATION NUMBER: RFP 5800 KDS3002
SOLICITATION TITLE: Group Pre-Paid Legal Plan

INSTRUCTIONS: Offerors who DO intend to use Subcontractors may utilize M/WBE Subcontractor(s) or perform Good Faith efforts when retaining Non-certified Subcontractor(s). Offerors must determine which type of Subcontractor(s) they are anticipating to use (CERTIFIED OR NON-CERTIFIED), check the box of their applicable decision, and comply with the additional instructions associated with that particular selection.

☐ **I intend to use City of Austin CERTIFIED M/WBE Subcontractor/Sub-consultant(s).**

Instructions: Offerors may use Subcontractor(s) that ARE City of Austin certified M/WBE firms. Offerors shall contact SMBR (512-974-7600 or SMBRComplianceDocuments@austintexas.gov) to confirm if the Offeror's intended Subcontractor(s) are City of Austin certified M/WBE and if these firm(s) are certified to provide the goods and services the Offeror intends to subcontract. If the Offeror's Subcontractor(s) are current valid certified City of Austin M/WBE firms, the Offeror shall insert the name(s) of their Subcontractor(s) into the table below and must include the following documents in their sealed Offer:

- Subcontracting/Sub-Consulting Utilization Form (completed and signed)
- Subcontracting/Sub-Consulting Utilization Plan (completed)

☐ **I intend to use NON-CERTIFIED Subcontractor/Sub-Consultant(s) after performing Good Faith Efforts.**

Instructions: Offerors may use Subcontractors that ARE NOT City of Austin certified M/WBE firms ONLY after Offerors have first demonstrated Good Faith Efforts to provide subcontracting opportunities to City of Austin M/WBE firms.

STEP ONE: Contact SMBR for an availability list for the scope(s) of work you wish to subcontract;

STEP TWO: Perform Good Faith Efforts (Check List provided below);

STEP THREE: Offerors shall insert the name(s) of their certified or non-certified Subcontractor(s) into the table below and must include the following documents in their sealed Offer:

- Subcontracting/Sub-Consulting Utilization Form (completed and signed)
- Subcontracting/Sub-Consulting Utilization Plan (completed)
- All required documentation demonstrating the Offeror's performance of Good Faith Efforts (see Check List below)

GOOD FAITH EFFORTS CHECK LIST –

When using NON-CERTIFIED Subcontractor/Sub-consultants(s), **ALL of the following CHECK BOXES MUST be completed in order to meet and comply with the Good Faith Effort requirements and all documentation must be included in your sealed Offer. Documentation CANNOT be added or changed after submission of the bid.**

☐ **Contact SMBR.** Offerors shall contact SMBR (512-974-7600 or SMBRComplianceDocuments@austintexas.gov) to obtain a list of City of Austin certified M/WBE firms that are certified to provide the goods and services the Offeror intends to subcontract out. (Availability List). Offerors shall document their contact(s) with SMBR in the "SMBR Contact Information" table on the following page.

☐ **Contact M/WBE firms.** Offerors shall contact all of the M/WBE firms on the Availability List with a Significant Local Business Presence which is the **Austin Metropolitan Statistical Area**, to provide information on the proposed goods and services proposed to be subcontracted and give the Subcontractor the opportunity to respond on their interest to bid on the proposed scope of work. When making the contacts, Offerors shall use at least two (2) of the following communication methods: email, fax, US mail or phone. Offerors shall give the contacted M/WBE firms at least seven days to respond with their interest. Offerors shall document all evidence of their contact(s) including: emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, company contacted, phone number, and contact person.

EXHIBIT B
MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM

Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan

SOLICITATION NUMBER: RFP 5800 KDS3002

SOLICITATION TITLE: Group Pre-Paid Legal Plan

- ☐ **Follow up with responding M/WBE firms.** Offeror shall follow up with all M/WBE firms that respond to the Offeror's request. Offerors shall provide written evidence of their contact(s): emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, company contacted, phone number, and contact person.

- ☐ **Advertise.** Offerors shall place an advertisement of the subcontracting opportunity in a local publication (i.e. newspaper, minority or women organizations, or electronic/social media). Offerors shall include a copy of their advertisement, including the name of the local publication and the date the advertisement was published.

- ☐ **Use a Community Organization.** Offerors shall solicit the services of a community organization(s); minority persons/women contractors'/trade group(s); local, state, and federal minority persons/women business assistance office(s); and other organizations to help solicit M/WBE firms. Offerors shall provide written evidence of their Proof of contact(s) include: emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, organization contacted, phone number, email address and contact person.

EXHIBIT B
MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM

Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan

SOLICITATION NUMBER: RFP 5800 KDS3002
SOLICITATION TITLE: Group Pre-Paid Legal Plan

(Offerors may duplicate this page to add additional Subcontractors as needed)

Subcontractor/Sub-consultant	
City of Austin Certified	<input type="checkbox"/> MBE <input type="checkbox"/> WBE Ethnic/Gender Code: <input type="checkbox"/> NON-CERTIFIED
Company Name	
Vendor ID Code	
Contact Person	Phone Number:
Additional Contact Info	Fax Number: E-mail:
Amount of Subcontract	\$
List commodity codes & description of services	
Justification for not utilizing a certified MBE/WBE	

Subcontractor/Sub-consultant	
City of Austin Certified	<input type="checkbox"/> MBE <input type="checkbox"/> WBE Ethnic/Gender Code: <input type="checkbox"/> NON-CERTIFIED
Company Name	
Vendor ID Code	
Contact Person	Phone Number:
Additional Contact Info	Fax Number: E-mail:
Amount of Subcontract	\$
List commodity codes & description of services	
Justification for not utilizing a certified MBE/WBE	

SMBR Contact Information			
SMBR Contact Name	Contact Date	Means of Contact	Reason for Contact
		<input type="checkbox"/> Phone OR <input type="checkbox"/> Email	

FOR SMALL AND MINORITY BUSINESS RESOURCES DEPARTMENT USE ONLY:

Having reviewed this plan, I acknowledge that the Offeror ☐ HAS or ☐ HAS NOT complied with these instructions and City Code Chapters 2-9A/B/C/D, as amended.

Reviewing Counselor

Date

I have reviewed the completing the Subcontracting/Sub-Consultant Utilization Plan and ☐ Concur ☐ Do Not Concur with the Reviewing Counselor's recommendation.

Director/Assistant Director or Designee

Date

EXHIBIT 1
ENROLLMENT/RATE HISTORY (2013 - Dec, 2017)
Request for Proposal Number: RFP 5800 KDS0505
Group Pre-Paid Legal Plan

2013		
Member Count		<i>December</i>
Employee Only		1,108
Employee & Family		1,648

2014		
Member Count		<i>December</i>
Employee Only		1,443
Employee & Family		1,929

Monthly Rates		
Employee Only		\$10.90
Employee & Family		\$14.80

Monthly Rates		
Employee Only		\$10.90
Employee & Family		\$14.80

2015		
Member Count		<i>December</i>
Employee Only		1,669
Employee, Family, Spouse or DP*		2,089

2016		
Member Count		<i>December</i>
Employee Only		1,854
Employee, Family, Spouse or DP*		2,234

Monthly Rates		
Employee Only		\$10.90
Employee, Family, Spouse or DP*		\$14.80

Monthly Rates		
Employee Only		\$10.90
Employee, Family, Spouse or DP*		\$14.80

2017		
Member Count		<i>December</i>
Employee Only		2,161
Employee, Family, Spouse or DP*		2,343

Monthly Rates		
Employee Only		\$10.90
Employee, Family, Spouse or DP*		\$14.80

***DP - Domestic Partner**



Group Legal Expense Agreement

Important:

For purposes of the City of Austin **certificate**, the **Plan Sponsor** has defined eligible dependents to mean: Spouse or both same and opposite sex domestic partner and children until the end of the month that they reach age 26 regardless of student or marital status.

CERTIFICATE OF COVERAGE

**City of Austin
Legal Expense Plan**

IMPORTANT NOTICE

To obtain information or make a complaint:

1. **You** may contact ARAG Services, LLC at (515) 246-1200
2. **You** may call ARAG Services, LLC's toll-free number
1-800-247-4184
3. **You** may write to:
ARAG Services, LLC
500 Grand Avenue, Suite 100
Des Moines, Iowa 50309
4. Legal service contract companies and their sales representatives are regulated by the Texas Department of Licensing and Regulation.
5. **You** may call the Texas Department of Licensing and Regulation's toll-free number
1-800-803-9202
6. **You** may write to:
Texas Department of Licensing and Regulation
P.O. Box 12157
Austin, TX 78711

Or via e-mail at CS.Legal.Service.Contracts@license.state.tx.us

7. **PLAN FEE OR CLAIM DISPUTES:** Should **you** have a dispute concerning **your** plan fees or about a claim **you** should contact ARAG Services, LLC first. If the dispute is not resolved, **you** may contact the Texas Department of Licensing and Regulation.

DEFINITIONS

"BENEFITS" – the legal coverages listed on the declarations page of the agreement or in the **benefits** section of the **Certificate of Coverage**.

"CERTIFICATE OF COVERAGE" or **"CERTIFICATE"** – the document provided by **us** to the **named plan member** that describes the **benefits** and terms of the agreement.

"CERTIFICATE YEAR" – twelve (12) month period as listed on the declarations page of the agreement issued to the **plan sponsor**.

"CONTESTED" – an action in which one or more disputed material issues must be litigated, determined and resolved through court, mediation, arbitration, or administrative proceedings; or substantial negotiation of opposing position is required to resolve the action.

"EFFECTIVE DATE" – the date on which the **plan sponsor** enrolls the **named plan member** and from which date the plan fees have been paid for **you**.

"GENERAL IN OFFICE LEGAL SERVICES" – time spent by an attorney and their office staff for **your** legal issue that is not otherwise covered or excluded under this plan and which does not include costs such as, but not limited to: filing fees, copy costs, mileage, title insurance, expert witnesses, mediator, home studies, transcriptionists, title search, and title abstracting.

"GOODS" – a physical product that is capable of being delivered. Ownership of a good can be transferred from the seller to the buyer.

"INDEMNITY BENEFITS" – means covered **legal services** which are reimbursed to the **plan member** up to the **benefit** amount indicated under the specific coverage. The **plan member** is responsible for all **legal services** which may exceed the amount paid by **us**.

"PLAN MEMBER" – as dictated by plan fees paid and as indicated by coverages listed in the **"Benefits"** section, the **named plan member** only or the **named plan member** and the **named plan member's** spouse, or domestic partner (who is registered with us) and/or eligible dependents. Eligible dependents and/or domestic partner are defined by mutual agreement between the **plan sponsor** and **us**.

"COVERED EVENT" – an event covered by this agreement whose initiation date will be considered the earlier of the date (a) written notice of a **legal dispute** is sent or filed by **you** or received by **you**; or (b) a ticket or citation is issued; or (c) an attorney is hired.

"COVERED RENTAL PROPERTY" – a single dwelling (house, apartment, duplex or condominium) that **you** have an ownership interest in and that is not **your primary residence** and that for a portion of the year is rented out to another individual.

"LEGAL DISPUTE" – means a disagreement between **you** and any other party regarding **your** legal rights.

"LEGAL SERVICES" – time spent by an attorney and their office staff for **your** covered legal matters which does not include costs such as, but not limited to: filing fees, copy costs, mileage, title insurance, expert witnesses, mediator, home studies, transcriptionists, title search, and title abstracting.

"NAMED PLAN MEMBER" – a person enrolled via the **plan sponsor** with **us** as entitled to coverage under the terms of this agreement.

"NETWORK ATTORNEY" – means an attorney with whom **we** have contracted to perform covered **legal services** in the United States for **you** and who has contracted with **us** to provide the specific covered **legal services** for which **you** are seeking assistance.

EXHIBIT 2

“NON-NETWORK ATTORNEY” – means an attorney, who is not a **Network Attorney**, chosen by **you** to perform **legal services** covered under the **indemnity benefits** of this agreement.

“NON-MOVING OFFENSE” – parking ticket, registration, equipment or other violations that aren't handled in conjunction with a moving violation.

“PERSONAL PROPERTY” – means property, which is not **real property** and which does not produce income.

“PLAN SPONSOR” – means the organization named in the declarations page.

“PRIMARY RESIDENCE” – the single dwelling where **you** actually live that is considered **your** legal residence for income tax purposes.

“REAL PROPERTY” – land and all permanent structures attached to it.

“REFINANCING” – paying off one loan with the proceeds from a new loan using the same **real property** as security.

“SECONDARY RESIDENCE” – a single dwelling (house, apartment, duplex, or condominium) that **you** have an ownership interest in and that is not **your primary residence**.

“SERVICE” – a duty or labor provided from one person to another. It is the non-material equivalent of a **good**. There is no physical product that can transfer ownership.

“TRIAL” – means the proceeding in court or in a covered administrative proceeding when the parties try their case beginning with the impaneling of a jury in a jury **trial** or with opening statement if the parties are in a non-jury **trial**. **Trial** does not include things such as hearings, appearances on motions, negotiated pleas, pre-**trial** conferences, or appearances, and continuances by the court.

“UNCONTESTED” – an action in which all matters are settled without court intervention, mediation, arbitration, or substantial negotiation of opposing position.

“WE”, “US”, and “OUR” – ARAG Services, LLC.

“YOU” and “YOUR” – a **plan member**.

In-Office Legal Benefits

We will pay the attorney fees of the **Network Attorney** for covered **legal services** provided to **you** resulting from a **covered event** which occurs after **your effective date** and while **your Certificate of Coverage** is in effect for the legal matters listed below.

You can choose a **Non-Network Attorney** instead of a **Network Attorney**. If **you** choose a **Non-Network Attorney** for covered **legal services** provided to **you** resulting in a **covered event** which occurs after **your effective date** and while **your Certificate of Coverage** is in effect, **we** will reimburse **you** for the attorney fees for covered **legal services** up to the maximum amounts listed below.

Only matters expressly listed are covered **benefits** and are paid as indicated below.

If the **named plan member** purchased only individual coverage, **legal services** rendered to persons other than the **named plan member** are not covered.

How to Obtain In-Office Legal Services and Court Representation

You may choose a **Network Attorney** or **Non-Network Attorney** as follows:

Network Attorney Services

There are **Network Attorneys** throughout **your** state. To obtain a list of **Network Attorneys** you can:

1. Call 800-247-4184 and a Customer Service Specialist will assist **you** by:
 - Describing how the plan **benefits** work and what types of situations are covered.
 - Providing **you** a listing of **Network Attorneys** specific to **your** need.
 - Providing a Case Confirmation Number that outlines **your** coverage.
2. Visit **our** Web site at ARAGlegal.com and log on as a member and search using the Attorney Finder.

Simply call an attorney for an appointment. When **you** call, identify yourself as a member of **your** group's legal plan. If **you** have a Case Confirmation Number, **you** should provide it to the **Network Attorney**. If not, the **Network Attorney** may call **us** to confirm **your** coverage and then proceed to provide **services**. If **you** choose a **Network Attorney** to provide covered **legal services**, the **Network Attorney** will bill **us** directly for his/her attorney fees.

Non-Network Attorney Services

If **you** choose a **Non-Network Attorney**, **we** will pay **your** attorney fees for covered **legal services** according to the **Non-Network Attorney indemnity benefits** schedule. Instructions for submitting a claim are printed on the claim form. For a form, call 800-247-4184. Or **you** can download a form from **our** Web site at ARAGlegal.com.

	Network Attorney	Non-Network Attorney (Indemnity Benefit)
Uncontested Adoption		
Legal services ¹ in an uncontested adoption for a plan member to become an adoptive parent(s).	PAID IN FULL	\$ 400*

¹In international adoptions, where a foreign attorney is necessary, **you** are eligible to receive indemnity reimbursement in addition to the **benefits** available in the United States.

EXHIBIT 2

	Network Attorney	Non-Network Attorney (Indemnity Benefit)
Contested Adoption		
Legal services ¹ in a contested adoption for a plan member to become an adoptive parent(s).	PAID IN FULL	\$ 800*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
¹ In international adoptions, where a foreign attorney is necessary, you are eligible to receive indemnity reimbursement in addition to the benefits available in the United States		
Bankruptcy		
Legal services for a plan member up to and including filing of a Chapter 7 bankruptcy final report or confirmation of a Chapter 13 bankruptcy and including post-confirmation amendments.		
Chapter 7	PAID IN FULL	\$ 880*
Chapter 13	PAID IN FULL	\$ 1,200*
Uncontested Child Support Enforcement		
Legal services for a plan member for an uncontested motion by you to enforce a final decree for child support.	PAID IN FULL	\$ 320*
Contested Child Support Enforcement - 8 hours		
Legal services for a plan member for a contested motion by you to enforce a final decree for child support.	PAID IN FULL (up to 8 hours per covered event)	\$ 640*
Defense of Civil Damage Claims		
Legal services for a plan member in defense against civil damage(s) claims, except those involving the ownership or use of a motorized vehicle, claims which are covered by other insurance, or claims related to felony charges.	PAID IN FULL	\$ 800*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***

EXHIBIT 2

	Network Attorney	Non-Network Attorney (Indemnity Benefit)
Consumer Protection		
Legal services for a plan member as a plaintiff or defendant regarding written, verbal or implied contracts or warranties relating to consumer goods or services and/or residential contractor disputes.	PAID IN FULL	\$ 800*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
Credit Records Correction		
Legal services for a plan member related to correcting inaccuracies or misrepresentations on your credit record.	PAID IN FULL	\$ 160*
Defense of Debt Collection		
Legal services for a plan member as the defendant in a legal dispute related to consumer goods or services .	PAID IN FULL	\$ 480*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
Uncontested Divorce		
Legal services for the named plan member in an uncontested divorce, a legal separation and/or an annulment of marriage.	PAID IN FULL	\$ 640*
Contested Divorce - 25 hours		
Legal services for the named plan member in a contested divorce, a legal separation and/or an annulment of marriage.	PAID IN FULL (up to 25 hours per covered event)	\$ 2,000*
Document Preparation and Review		
Legal services for a plan member for the preparation and review of Deeds, Mortgages, Promissory Notes, Affidavits, Lease Contracts, Demand Letters, and Installment Contracts.	PAID IN FULL	\$ 40 per document

EXHIBIT 2

	Network Attorney	Non-Network Attorney (Indemnity Benefit)
Protection from Domestic Violence Legal services for the named plan member to obtain a protective order related to domestic violence.	PAID IN FULL	\$ 320*
Legal services for a plan member to obtain a protective order related to domestic violence when the opposing party is not a plan member under the same Certificate .	PAID IN FULL	\$ 320*
Driving Privilege Protection Legal services for a plan member in the defense of a traffic offense where conviction of the offense will directly result in the suspension or revocation of your driving privileges.	PAID IN FULL	\$ 480*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
Driving Privilege Restoration Legal services for a plan member in an administrative proceeding for the restoration of suspended or revoked driving privileges of a plan member .	PAID IN FULL	\$ 240*
Estate Administration & Estate Closing (Probate) - 9 hours Legal services for a plan member in administering an estate where you have been named the executor.	PAID IN FULL (up to 9 hours per covered event)	\$ 720*
Foreclosure Legal services for a plan member regarding written notice of a foreclosure related to your primary residence .	PAID IN FULL	\$ 480*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***

EXHIBIT 2

	Network Attorney	Non-Network Attorney (Indemnity Benefit)
Defense of Garnishment		
Legal services for a plan member in a legal dispute for a garnishment against you to collect judgment related to goods or services .	PAID IN FULL	\$ 480*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
(Exclusion #3 as it relates to post judgment garnishment is waived for this benefit .)		
Uncontested Guardianship/Conservatorship		
Legal services in an uncontested Guardianship/Conservatorship for a plan member to appoint or be appointed as a Guardian/Conservator.	PAID IN FULL	\$ 480*
Contested Guardianship/Conservatorship		
Legal services in a contested Guardianship/Conservatorship for a plan member to appoint or be appointed as a Guardian/Conservator.	PAID IN FULL	\$ 720*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
Habeas Corpus Proceedings		
Legal services for a plan member in habeas corpus proceedings.	PAID IN FULL	\$ 480*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
Mental Incompetency or Infirmary Proceedings		
Legal services for a plan member in defense of mental incompetency or infirmity proceedings.	PAID IN FULL	\$ 960*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***

EXHIBIT 2

	Network Attorney	Non-Network Attorney (Indemnity Benefit)
IRS Collection Defense		
Legal services for a plan member in defense against collection actions by the Internal Revenue Service (IRS) related to errors on your personal tax return where the initial written notice is received after your effective date .	PAID IN FULL	\$ 480*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
IRS Audit Protection		
Legal services for a plan member involving Internal Revenue Service (IRS) audits related to your personal tax return where the initial written notice is received after your effective date .	PAID IN FULL	\$ 480*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
Juvenile Court		
Legal services for a plan member child charged with a crime (except those involving traffic matters) when the court proceedings are held in juvenile court. If the matter is removed from juvenile court, coverage under this benefit will cease as of the date of the removal.	PAID IN FULL	\$ 480*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
Minor Traffic - Broad (excluding DWI-related)		
Legal services for a plan member in the defense of a traffic offense, the conviction of which would not result in suspension or revocation of your driving privileges. (Does not include driving while impaired or under the influence of drugs or alcohol or any non-moving offense .)	PAID IN FULL	\$ 240*
Name Change		
Legal services for a plan member to legally change his/her name.	PAID IN FULL	\$ 240*

EXHIBIT 2

	Network Attorney	Non-Network Attorney (Indemnity Benefit)
Neighbor Disputes		
Legal services for a plan member with a neighbor as a plaintiff or defendant in a dispute related to your primary residence , including boundary or property title disputes.	PAID IN FULL	\$ 720*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
Parental Responsibilities		
Legal services for a plan member in juvenile court proceedings (except those involving traffic matters) where a state has brought an action regarding your parental responsibilities for a plan member's child.	PAID IN FULL	\$ 480*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
Personal Property Protection		
Legal services for a plan member as a plaintiff or defendant regarding contracts or obligations for the transfer of your personal property or your personal property rights.	PAID IN FULL	\$ 320*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
Uncontested Post Decree Defense		
Legal services for a plan member for an uncontested motion brought against you to modify a final decree for child support, child custody, child visitation, or alimony.	PAID IN FULL	\$ 320*
Contested Post Decree Defense - 8 hours		
Legal services for a plan member for a contested motion brought against you to modify a final decree for child support, child custody, child visitation, or alimony.	PAID IN FULL	\$ 640*

EXHIBIT 2

	Network Attorney	Non-Network Attorney (Indemnity Benefit)
Uncontested Post Decree Enforcement Legal services for a plan member for an uncontested motion brought by you or against you to enforce a final decree for child custody, child visitation, or alimony.	PAID IN FULL	\$ 320*
Contested Post Decree Enforcement - 8 hours Legal services for a plan member for a contested motion brought by you or against you to enforce a final decree for child custody, child visitation, or alimony.	PAID IN FULL (up to 8 hours per covered event)	\$ 640*
Postnuptial Agreements Legal services for the named plan member for the preparation of a postnuptial agreement.	PAID IN FULL	\$ 320*
Prenuptial Agreements Legal services for a plan member for the preparation of a premarital or antenuptial agreement.	PAID IN FULL	\$ 320*
Refinancing - Primary Residence Advice and review of relevant documents regarding refinancing of your primary residence .	PAID IN FULL	\$ 160*
Purchase of Real Estate Legal services for a plan member for the purchase of your primary residence for the review and preparation of documents including contract for purchase and attendance at closing.	PAID IN FULL	\$ 320*
Real Estate Disputes Legal services for a plan member as a plaintiff or defendant in a dispute regarding contracts or obligations for the construction, purchase or sale of your primary residence .	PAID IN FULL	\$ 1,200*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***

EXHIBIT 2

	Network Attorney	Non-Network Attorney (Indemnity Benefit)
Sale of Real Estate		
Legal services for a plan member for the sale of your primary residence for the review and preparation of documents including the contract for sale and attendance at closing.	PAID IN FULL	\$ 320*
Small Claims Court		
Legal services for a plan member to obtain advice and counseling to bring a claim in Small Claims Court (or similar court of limited civil jurisdiction).	PAID IN FULL	\$ 320*
Legal services for a plan member to defend an action in Small Claims Court (or similar court of limited civil jurisdiction) including representation in court where allowed by law.	PAID IN FULL	\$ 400*
Tenant Matters		
Legal services for a plan member as a plaintiff or defendant with your landlord as tenant of your primary residence , including but not limited to, eviction and security deposit disputes.	PAID IN FULL	\$ 320*
Trial for three (3) days or less	PAID IN FULL	\$ 1,800**
Trial starting on day four (4) until completion	PAID IN FULL	\$ 100,000***
Wills & Durable Power of Attorney		
Individual will or spousal will(s). (Does not include any tax planning services done in connection with the will.)	PAID IN FULL	\$ 320 single document \$ 400 spousal documents
Codicil (an amendment to a will)	PAID IN FULL	\$ 40 single document \$ 80 spousal documents
Living Will / Health Care Directive	PAID IN FULL	\$ 40 single document \$ 80 spousal documents
Durable / Financial Power of Attorney	PAID IN FULL	\$ 40 single document \$ 80 spousal documents

* **Non-Network Attorney Indemnity Benefits** are up to the stated amount

** **Trial Indemnity Benefits** are (\$300 per 1/2 day of **Trial** time) up to the stated amount

EXHIBIT 2

*** **Trial Indemnity Benefits** are (\$400 per 1/2 day of **Trial** time) up to the stated amount

Telephone Legal Access Services

We will pay the attorney fees of a **Telephone Legal Access Law Firm** as defined below for **Telephone Legal Access Services** provided by a **Telephone Legal Access Law Firm** while **your Certificate** is in effect.

"Telephone Legal Access Law Firm" - means an independent law firm that has entered into a written agreement with **us** to provide **Telephone Legal Access Services** to **you** within the territory of the United States.

"Telephone Legal Access Services" - means the type of **legal services** which, within the applicable standard of professional care and conduct, may be rendered by the **Telephone Legal Access Law Firm** in one or more telephone conversations with a client and which may be connected with other **legal services** based on telecommunication which are specifically listed below.

Coverage

You will receive:

Attorney Fees

Toll-free telephone advice on how the law relates to **your** personal legal matter and which action may be taken.

PAID IN FULL

Follow-up correspondence and telephone calls to third parties related to **your** personal legal matter.

PAID IN FULL

Specific document preparation and document review.

PAID IN FULL

You will receive legal assistance from the **Telephone Legal Access Law Firm** for the preparation or review of a: Standard Will or Codicils.

PAID IN FULL

Standard Will means a will document without trust provisions other than a support trust for dependent children limited to appointing a guardian and placing assets for dependent children until they reach their age of majority.

CONDITIONS

Agreement Period and Territory

This agreement applies to **covered events** which occur worldwide while **your Certificate of Coverage** is in effect. If a **covered event** occurs outside the United States **indemnity benefits** apply.

Any **covered event** which occurs prior to the **effective date** of a **plan member** will be considered excluded and no **benefits** will apply.

Eligibility

Each person who satisfies the eligibility requirements specified in the Declarations, for whom the **plan sponsor** completes registration with the Company, and for whom it agrees to pay the required plan payments, shall become a **plan member** on the first day of the calendar month following the date of completion of that person's registration with the Company by the **plan sponsor**.

EXHIBIT 2

New employees or new members as the case may be, in the groups or classes eligible for such coverage, may be added to such groups or classes.

Grace Period

Except for **your** first plan payment, **we** will allow a grace period of thirty-one (31) days after the plan payment due date to pay the plan payment due. The plan payment due date is the first day of the month in which the participant(s) **benefits** became effective.

Cancellation and Termination

Neither **we** nor the **plan sponsor** will cancel this agreement during the term defined in the Declarations except for fraud or for the failure to pay plan fees due. **We** will give **you** ten (10) days written notice of cancellation listing the **effective date** and reason for cancellation.

If the **named plan member** ends employment or membership in the group to which this agreement is issued (except upon the **named plan member's** death), or the agreement is canceled by the **plan sponsor**, **your** coverage will cease at the end of the term for which plan fees have been paid.

Waiver of Plan Fees

Upon the death of the **named plan member**, coverage for the surviving spouse or domestic partner and the **plan member's** dependents continues under the plan for one year, and **we** waive further plan fee payments during this time. Coverage shall terminate prior to the end of the one year period if the **plan sponsor** cancels the plan during that time frame, in such case, coverage shall cease as of the date the **plan sponsor** cancels the plan.

Should a **named plan member** be called to active duty for a period of more than thirty (30) consecutive days for the purposes of military service or of responding to a declared national emergency, coverage for the spouse or domestic partner and the **plan member's** dependents will continue, without the payment of plan fees, for the length of the **named plan member's** absence and for so long as the **named plan member** remains eligible for **benefits** through the **plan sponsor**.

Conversion

You may continue this plan when **you** no longer qualify as an employee of the **plan sponsor** or as a member of the group to which this agreement is issued. **You** must notify **us** within ninety (90) days of this disqualifying event to make arrangements for payment of plan fees. Payment of plan fees is required from the last date of **your** eligibility under this agreement.

Other Legal Representation

If **you** are entitled to receive **legal services** or reimbursement for **legal services** from any other person or organization, **our** coverage will be excess.

Payment by **us** for **legal services** under this agreement does not preclude **your** attorney from seeking and recovering attorney fees from an opposing party, where authorized by law, court rule or contract, at the

EXHIBIT 2

attorney's usual and customary or prevailing rate. If **you** receive reimbursement of attorney's fees, then **you** will reimburse **us** for payments made under this agreement.

Payment Limitations

You may not make claims under separate **benefits** for one legal matter.

Notice of Claim, Proof of Expense Incurred and Payment of Claim

You or **your** representative must submit a written notice of claim to **us** within one year after the **covered event**. A claim form and itemized billing are required within one hundred twenty (120) days after **legal services** for which **you** seek payment are completed.

You are responsible for verifying **your** legal matter is covered under **your** legal plan with **us** prior to receiving **legal services**. **You** will be responsible for payment to the attorney at their usual and customary rate if **your** matter is not covered.

You must give **us** all information **we** request with respect to the circumstances of a **covered event** or **service** provided. **We** have the right to withhold **benefits** if the requested information is not provided to **us**.

Fraud or Abuse

We do not provide **benefits** for **you** if **you** have intentionally concealed or misrepresented any material fact or circumstance or have made false statements or engaged in fraudulent conduct relating to **your** legal plan. **We** may discontinue **your** benefits if **we** deem that **you** are exhibiting hostile or abusive behavior towards **us**, **our** employees and/or **Network Attorneys**.

Subrogation

We may require **you** to assign all rights of recovery of legal fees to the extent that payment is made by **us**. If an assignment is sought, **you** must cooperate with **us**.

Relation of the Parties

You have the unrestricted right to choose an attorney. The attorney is not **our** agent or employed by **us** or the **plan sponsor**. **We** and the **plan sponsor** shall at no time control or interfere with the performance of the attorney and **we** do not guarantee the skill of the attorney. Any payment to a **network attorney** for **legal services** is **our** responsibility up to **your** agreement limits.

Grievances

If **you** have a problem with a **Network Attorney** in the handling of a legal matter covered under this plan, contact **us** for assistance in resolving **your** issue. If **you** are not satisfied with the final resolution of any grievance or complaint then **you** can contact the Texas Department of Licensing and Regulation using the contact information provided in this agreement.

You have the right to file a complaint with the State Bar about **your** attorney at any time.

EXCLUSIONS

We do not provide coverage for:

1. Matters against **us**, the **plan sponsor** or a **plan member** against the interests of the **named plan member** under the same **Certificate**.
2. **Legal services** arising out of a business interest, investment interests, employment matters, **your** role as an officer or director of an organization, and patents or copyrights.
3. **Legal services** in class actions, punitive damages, malpractice, court appeals or post judgments (settlement agreement signed by all parties, final binding arbitration, judgment issued by a court).
4. **Legal services** deemed by **us** to be frivolous or lacking merit, or in actions where **you** are the plaintiff and the amount **we** pay for **your legal services** exceeds the amount in dispute, or in **our** reasonable belief **you** are not actively and reasonably pursuing resolution in **your** case.

SUPPLEMENTAL BENEFITS

REDUCED FEE LEGAL SERVICES

If **your** legal matter is not fully covered under **your** legal expense agreement and is not listed under “Exclusions”, **you** are eligible to work with a **Network Attorney** and receive a reduced fee that will be at least 25% off the attorney’s normal hourly rate. Payment of attorney fees is handled directly between the **plan member** and the **Network Attorney**. Access to a **Network Attorney** is subject to availability. **You** are encouraged to contact ARAG to determine proximity to a **Network Attorney** within legal practice areas.

For matters that include a cap on the number of hours ARAG will pay a **Network Attorney**, and where your legal matter will exceed the cap set, the **Network Attorney** will bill you directly at reduced rates of at least 25% off his or her normal rates for the remaining hours. You pay the attorney directly.

For Telephone Advice, if **your** matter cannot be resolved over the phone and is not fully covered under **your** legal expense agreement and not excluded under “Exclusions”, **you** are eligible to work with a **Network Attorney** and receive a reduced fee that will be at least 25% off the attorney’s normal hourly rate. Payment of attorney fees is handled directly between the **plan member** and the **Network Attorney**.

REDUCED CONTINGENCY FEES

This service provides **you** access to a **Network Attorney** for a legal matter the **Network Attorney** deems to be appropriately handled through the use of a contingency fee. The **Network Attorney** will represent **you** under a contingent fee arrangement where the contingent fee will not exceed 25% of the net recovery if successfully resolved before or after **trial**, or will not exceed 30% of the net recovery if successfully resolved on or after an appeal.

FINANCIAL EDUCATION AND COUNSELING SERVICES

This service provides **you** toll-free telephone access to Financial Counselors. Financial Counselors who can address **your** questions and offer guidance on a variety of money management matters, as well as provide instructions on how to use the program's financial tools.

Financial information and services include:

General financial planning counseling sessions	Insurance
Cash and debt management	IRAs and 401(k)s
Savings and budgeting	Federal tax information and education
Asset allocation	Mortgage education
Credit reports	Investments and Risks

You can also visit a financial education website which provides educational resources to help **you** establish a plan for reaching **your** goals, such as a down payment on a house, reduction of debt or college funding for a child. This website includes interactive financial tools and an online reference library that can be used to create a personalized money management plan. Financial Counselors are also available for guidance on implementing **your** personal action items.

IDENTITY THEFT SERVICES

A service that gives **you** access to:

Identity Theft Case Managers who will help **you** determine appropriate steps to begin recovery and help **you** monitor the progress of **your** recovery.

Toll-free legal advice from a Telephone Network Attorney to assist with legal-related problems that the theft of **your** identity may have caused.

Identity Theft Materials, including:

An Identity Theft Prevention Kit to help protect yourself from becoming a victim of identity theft in the first place,

An Identity Theft Victim Action Kit to help speed **your** recovery should **you** become an identity theft victim,

A tracking document to help **you** keep track of phone calls, e-mails and letters for attorneys, and

An Identity Theft Affidavit to help **you** report your identity theft to necessary parties.

IMMIGRATION

A service that gives **you** toll-free access to Telephone Network Attorneys for:

Legal advice and consultation

Immigration processes and guidelines.

Filing and processing of applications and petitions.

Laws and regulations governing various types of immigration benefits; including asylum, adjustment of status, business visas, and employment authorizations.

Deportation and removal proceedings.

Document review of any immigration forms

Document preparation of affidavits and powers of attorney

Preparation for immigration hearings

For additional immigration services, **Network Attorneys** provide a reduced rate of at least 25% off their normal rates for any representation-based immigration services. **Network Attorneys** will bill the member directly.

LAW GUIDE

Law Guide – An extensive library of easy-to-understand legal articles to help **you** research **your** legal situation.

Provides overviews of general areas of law including, but not limited to, estate planning, consumer matters and family law.

Gives specific information on legal issues including, but not limited to, wills, divorces and child custody matters.

DIY DOCS®

Do-It-Yourself Legal Documents - Online access to more than 300 state-specific documents authored and reviewed by attorneys for accuracy and state-specific compliance in all 50 states. These documents can assist **you** with everyday life, including issues involving:

Automobiles
Caregiving
Estate Administration

Marriage
Real Estate
Finances

Easy-to-Use Interactive Document Assembly Tool: Helps **you** efficiently create **your** own documents by asking simple questions.

My Documents: Online document storage and 24/7 access to create, update, retrieve and print **your** documents.

Legacy Planning: Create essential legal documents yourself with the help of DIY Docs, including:

Financial Power of Attorney
Health Care Power of Attorney

Living Will
Standard Will

TAX SERVICES

This service provides **you** with year-round access to experienced tax specialist. **You** can call toll-free for a one-on-one consultation if **you** have questions or need advice regarding **your** personal, non-business related tax matters. Services include:

Tips for state or federal filing of personal taxes
Explanation of tax law changes
Research on complex tax matters
Advice regarding IRS Audits and notifications
Review of last year's personal tax return
Personal tax return preparation for only \$50*

*There is a \$50 cost for each tax preparation (federal or state). Tax preparation is limited to returns that include forms 1040, 1040A or 1040EZ including Schedule A (Itemized Deductions), Schedule B (Interest and Ordinary Dividends) and Schedule D (Capital Gains and Losses). Returns with additional schedules shall be prepared and billed at a rate of \$60 per hour.

SUPPLEMENTAL BENEFITS EXCLUSIONS

The supplemental benefits do not include:

1. Matters against **us**, the named plan member or the plan sponsor.
2. Matters arising out of a business interest, investment interests, employment matters, employee benefits, **your** role as an officer or director of an organization, and patents or copyrights.
3. Matters deemed by **us** to be frivolous or lacking merit.
4. Matters outside the jurisdiction of the United States of America.



2018 Employee Benefits Guide



Medical | Vision | Dental | Life Insurance | Disability | FLEXTRA | Wellness



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The City of Austin is committed to compliance with the Americans with Disabilities Act.

Call the Human Resources Department at [512-974-3400](tel:512-974-3400) (Voice) or [800-735-2985](tel:800-735-2985) (Relay Texas TTY number) for more information.

Employees pictured in cover photos from top, left to right:

1. Animal Health Technicians Joe Rehmet and Margaret Shroyer, Animal Services Department.
2. Managing Librarian Doreen Boyd, Carver Library Branch.
3. Security Guard Hildo Garcia, City Hall.
4. Collection System Engineering Team, Austin Water Utility. Pictured left to right: Eric Wright, Mercedes Garcia-Lopez, Robert Cameron. Grishma Shah.

Benefits Guide Photos by Hennig Photography and courtesy of Austin Fire Department, Austin-Bergstrom International Airport, Austin Public Health Department, Austin Resource Recovery, Austin-Travis County EMS, Human Resources Department, Parks and Recreation Department, and Austin Water.

Contact Information

City of Austin Human Resources Department Employee Benefits Division

Benefits staff are available to answer questions you have about your benefits.

Phone Number: 512-974-3284
Outlook Email: HRD, Benefits
Email: HRD.Benefits@austintexas.gov
Fax Number: 512-974-3420

Employees should make an appointment before visiting our office.

Office Hours: 7:30 a.m. to 5:00 p.m.
Office Location: 505 Barton Springs Road, Suite 600

Online Resources

To access benefits information, go to [cityspace](http://cityspace.austintexas.gov/benefits), the City's intranet website, or on the Internet at austintexas.gov/benefits.

You can also view eligibility requirements and plan choices, print the City's employee and retiree benefits guides, and find information about the City's wellness, childcare, commuter, and other benefits.

Scan the QR code to the right for easy access to the Employee Benefits webpage.



UnitedHealthcare Medical Plans

CDHP/PPO Phone Number: 888-331-3408
HMO Phone Number: 888-383-0132
NurseLine Services, 24/7: 877-365-7949
Vision Phone Number: 800-638-3120
Vision Providers: myuhcvision.com
Mental Health Providers: liveandworkwell.com
Prescription Information: myuhc.com

To find a medical provider, go to myuhc.com.

1. Click **Find Physician, Laboratory, or Facility** link.
2. Click **All United Healthcare Plans**.
3. Select **NexusACO OAP** for the CDHP w/HSA and PPO. Select **NexusACO R** for the HMO.

To view the prescription formulary, Explanation of Benefits, and print a temporary ID card, go to myuhc.com. To register, follow these steps:

1. Click the **Register Now** button.
2. Enter information from your ID card. If you do not have your ID card, you can enter your Social Security Number and date of birth.
3. Click the **Next Step** button.
4. Enter email address or sign up for a free email account.
5. Create a username and password, answer security questions, and agree to website policies.
6. Click the **Submit** button.

Retirement Systems

City of Austin Employees' Retirement System (COAERS)	Austin Fire Fighters Relief and Retirement Fund (AFRS)	City of Austin Police Retirement System (PRS)
Phone Number: 512-458-2551 Fax Number: 512-458-5650 Website: coaers.org	Phone Number: 512-454-9567 Fax Number: 512-453-7197 Website: afrs.org	Phone Number: 512-416-7672 Fax Number: 512-416-7138 Website: ausprs.org

Contact each benefit vendor directly for identification cards, claims, benefits, and coverage information.

Davis Vision**Vision Plan**

Toll-Free Number: 888-445-2290

To view benefits, locate a provider, and check claim status, go to davisvision.com. To register, follow these steps:

1. Click the **Member** link.
2. Click the **Register** link.
3. Enter information from your ID card.
4. Create a username, password, and security question.
5. Click the **Register** button.

For non-members, click the **Member** link and enter **2481** for Client Code.

CompuSys/Erisa Group Inc. (Erisa)

- **Dental Assistance Plan**
 - **FLEXTRA Health Care Account & Benefits Card**
 - **FLEXTRA Dependent Care Account**
 - **COBRA Administration**
-

These programs are managed by the City's third-party administrator, Erisa.

Phone Number: 512-250-9397
Toll-Free Number: 800-933-7472
Fax Number: 512-250-2937

City of Austin Dental Plan

To view claim activity, go to coadentalplan.com.

To register, follow these steps:

1. Click the **Sign In** button.
2. Enter your insured ID number from your ID card.
3. Leave password blank.
4. Click the **Sign In** button.
5. Follow the instructions to register.

FLEXTRA Health and Dependent Care

To view account activity, balances, and submit a claim form, go to coaflextra.com. To login, follow these steps:

1. Click on **My Account**.
2. Enter your employee ID number and the first five digits of your Social Security Number.
3. Click the **Login** button.

ARAG**Group Legal Plan**

Toll-Free Number: 800-247-4184

Relay Texas Number: 800-383-4184

To view covered services and to locate a participating attorney, go to araglegalcenter.com. To register, follow these steps:

1. Click the **I'm a Member: Log Me In!** button.
2. Click the **Create a user name and password for the first time** link.
3. Enter your member ID number from your ID card and your home address ZIP code.
4. Click the **Continue** button.
5. Create a username and password and answer security questions and click the **Continue** button.

For non-members, enter **17886COA** for Access Code.

Deer Oaks**Employee Assistance Program**

Toll-Free Phone Number: 866-228-2542

Relay Texas Number: 800-735-2989

Toll-Free Teen Helpline: 866-228-2542

To view a list of free webinars and counseling services, go to deeroakseap.com. To access, follow these steps:

1. Click the **Member Login** button.
2. Type **austintexas.gov** for the user name and password.
3. Click the **Login** button.

Austin Deferred Compensation Plan**457 Plan (Empower Retirement)**

Toll-Free Number: 866-613-6189

To view and manage your account, go to dcaustin.com. To enroll, click the **Register** button.

Benefits Guide Information

City of Austin employees have access to benefits approved by the City Council each year as part of the budget process. The benefits and services offered by the City may be changed or terminated at any time. These benefits are not a guarantee of your employment with the City.

This Guide is designed to help you understand your benefits. Review this material carefully before making your enrollment decisions. Your rights are governed by each Summary Plan Description (SPD), which may be a plan document, evidence of coverage, certificate of coverage or contract, and not by the information in this Guide. If there is a conflict between the provisions of the plan you selected and this Guide, the terms of the plan govern.

For detailed information about the plans, refer to each plan instrument, contact the vendor, or the Employee Benefits Division of the Human Resources Department.

City Benefits Philosophy

The City is concerned for the health and welfare of its employees and is committed to providing cost-effective benefits that assist employees in being physically and mentally healthy. The benefits provided to employees may range from reimbursement plans to educational programs, but all benefit plans require employees to assume responsibility for the choices they make and to be informed on how to use their benefits effectively.

As part of this philosophy, the City is committed, as resources permit, to making available a comprehensive benefits program that includes plans for:

- Health care
- Wellness
- Disability income
- Income replacement
- Death benefits
- Education and training
- Paid time away from work
- Childcare

In keeping with this philosophy, the City will explore other areas of benefits to the extent they fill a need of a major portion of the workforce and to the extent they can be provided cost-effectively and efficiently on a group basis.

Cost

Since rising health care costs affect both the City and its employees, the City will continue to study new coverage options that help control health care costs. The program is designed to be cost-effective, for both the short term and the long term.

The cost of the program is determined in a realistic fashion and does not vary with short-term financial considerations. Employee contributions are required to help finance the cost of parts of the program.

Administration

The overall administration of the benefits program is re-evaluated and revised periodically to ensure it is simple, efficient, cost-effective, and satisfies overall goals.

Communications

A variety of media is used to communicate the benefits program to employees and their dependents. Methods used include presentations, newsletters, the City's website, video on demand, and *CitySource Today*. In addition, benefits staff are available by phone or in person to discuss benefits issues with employees and their families. Communication goals of the benefits program include:

- Educating employees on how to use their benefits.
 - ❖ Employees should understand their responsibility for the choices they make.
 - ❖ Employees should follow the requirements of the plans.
- Educating employees on how to be better consumers of all benefits.
 - ❖ Employee choices should be appropriate for their needs.
 - ❖ Employees should contribute to the fiscal integrity and cost-effectiveness of the plans by making informed choices when using their benefits.
- Increasing employee understanding of the value of their benefits.



Joya Hayes, Director of Human Resources & Civil Service

Benefits Eligibility

- Employee Eligibility
- Dependent Eligibility
- Persons Not Eligible
- Dependent Documentation
- Coverage Information



Aviation Department employees during annual Build-A-Backpack Campaign. Pictured left to right: Tina Morales, Boonlue Noelam, Antonio Maldonado, Paul Crayton, Jose Hurtado, Patricia Burse, Betty Paige, Norval Calero, Ignacia Mata, Darrell Caldwell, Dedra Bedford, Brent Jacob, Austin-Bergstrom International Airport.

Employee Eligibility

As a City employee, including any person in the six-month probationary period, your work status is full-time, part-time, or temporary. As a full-time or part-time employee, you may choose any combination of the benefits listed below:

Full-Time Employees – 30 or more hours per week

If you are in a regular budgeted position scheduled to work 30 or more hours per week, you are considered full-time and are eligible to participate in:

- Medical
- Vision
- Dental
- Life Insurance
- Short Term Disability
- Long Term Disability
- FLEXTRA Health Care
- FLEXTRA Dependent Care
- Group Legal Plan
- Wellness Program
- Employee Assistance Program
- Childcare Programs
- Commuter Program
- Retirement (Mandatory)
- Deferred Compensation

As a full-time employee, you are eligible for four types of coverage at no cost:

- CDHP w/HSA – Employee Only
- Dental – Employee Only
- Basic Life Insurance
- Short Term Disability

Part-Time Employees – 20 to 29 hours per week

If you are in a regular budgeted position scheduled to work 20 to 29 hours per week, you are considered part-time and are eligible to participate in:

- Medical
- Vision
- Dental
- Life Insurance
- Short Term Disability
- Long Term Disability
- FLEXTRA Health Care
- FLEXTRA Dependent Care
- Group Legal Plan
- Wellness Program
- Employee Assistance Program
- Commuter Program
- Deferred Compensation

As a part-time employee, you are eligible for Short Term Disability coverage at no cost.

Part-Time Employees – Less than 20 hours per week

If you are in a regular budgeted position scheduled to work less than 20 hours per week, you are considered part-time and are eligible to participate in:

- Medical
- Vision
- Dental
- Life Insurance
- FLEXTRA Health Care
- FLEXTRA Dependent Care
- Group Legal Plan
- Wellness Program
- Employee Assistance Program
- Commuter Program
- Deferred Compensation

Temporary Employees

If you are in a temporary position, you are eligible to participate in:

- Commuter Program
- Employee Assistance Program
- Medical – If employed continuously for more than 12 months
- Wellness Program (Contact Human Resources at [512-974-3284](tel:512-974-3284))
- Deferred Compensation

Dependent Eligibility

Enrolling Dependents for Benefits

If you are a full-time or part-time employee, your dependents are eligible for:

- Medical
- Vision
- Dental
- Life Insurance
- FLEXTRA Health Care
- FLEXTRA Dependent Care
- Group Legal Plan
- Wellness Program
- Employee Assistance Program

Eligible Dependents

Your dependents who meet the descriptions listed below can be enrolled for benefits.

- **Spouse:** Your legally married spouse, including a common-law spouse.
- **Domestic Partner:** The individual who lives in the same household and shares the common resources of life in a close, personal, intimate relationship with a City employee if, under Texas law, the individual would not be prevented from marrying the employee on account of age, consanguinity, or prior undissolved marriage to another person. A domestic partner may be of the same or opposite gender as the employee.
- **Children:** Your biological children, stepchildren, legally adopted children, children for whom you have obtained court-ordered guardianship or conservatorship, qualified children placed pending adoption, and children of your domestic partner, if you also cover your domestic partner for the same benefit. Your children must be under 26 years of age.
- **Dependent Grandchildren:** Your unmarried grandchild must meet the requirements listed above and must also qualify as a dependent (as defined by the Internal Revenue Service) on your or your spouse's federal income tax return.
- **Disabled Children:** To continue City coverage for an eligible dependent past the age limit, the child must be covered as a dependent at the time, unmarried, and must also meet the following definitions:
 - ❖ A disabled child must rely on you for more than 50 percent of support.
 - ❖ A child is considered disabled if they are incapable of earning a living at the time the child would otherwise cease to be a dependent and depend on you for principal support and maintenance, due to a mental or physical disability.
 - ❖ A disabled child continues to be considered an eligible dependent as long as the child remains incapacitated and dependent on you for principal support and maintenance, and you continuously maintain the child's coverage as a dependent under the plan from the time they otherwise would lose dependent status.
 - ❖ A dependent child who loses eligibility and later becomes disabled is not eligible for coverage. A disabled child who was not covered as a dependent immediately prior to the time the child would otherwise cease to be a dependent is not eligible for coverage.
 - ❖ A disabled child dependent must be covered continuously on the medical and dental plans. If coverage is dropped, the disabled child will not be allowed to re-enroll.

Covering dependents who are not eligible for the City's insurance programs unfairly raises costs for the City, as well as for all participants in the programs.

Persons Not Eligible

Dependents do not include:

- Individuals on active duty in any branch of military service (except to the extent and for the period required by law).
- Permanent residents of a country other than the United States.
- Parents, grandparents, or other ancestors.
- Grandchildren who do not meet the definition of dependent grandchildren or who are not claimed on your or your spouse's federal income tax return.

An individual is not eligible to be covered:

- As both a City employee and a City retiree, for the same benefit.
- As both a City employee or City retiree and as a dependent of a City employee or City retiree, for the same benefit.
- As a dependent of more than one City employee, or City retiree, for the same benefit.



Rachel Sears and Joanna Wheeler, Austin Nature and Science Center, Parks and Recreation Department.

Dependent Documentation

To provide coverage for a dependent under any of the City's benefits programs, you must provide documentation that supports your relationship to the dependent. Social Security Numbers must be provided for all eligible dependents.

Acceptable documents are listed below for the following dependents:

- **Spouse:** A marriage certificate which has been recorded as provided by law.
- **Domestic Partner:** A Domestic Partnership Affidavit and Agreement form signed by the employee and domestic partner. Also a Domestic Partnership Tax Dependent Status form signed by the employee.
- **Child:** A certified birth certificate, complimentary hospital birth certificate, Verification of Birth Facts issued by the hospital, or court order establishing legal adoption, guardianship, or conservatorship, or qualified medical child support order, or be the subject of an Administrative Writ.
- **Child of a Domestic Partner:** The documentation listed above must also be provided and the domestic partner must be covered for the same benefit in order to cover a child of a domestic partner.
- **Stepchild:** The documentation listed above must also be provided and a marriage certificate or declaration of informal marriage indicating the marriage of the child's parent and stepparent.
- **Dependent Grandchild:** The documentation listed above must also be provided and a marriage certificate or declaration of informal marriage that supports the relationship between you and your grandchild.
- **Disabled Child:** A completed Dependent Eligibility Questionnaire verifying an ongoing total disability, including written documentation from a physician verifying an ongoing total disability.
- **Qualified Child Pending Adoption:** For children already placed in your home, an agreement executed between you and a licensed child-placing agency, or the Texas Department of Family and Protective Services, meeting the requirements listed in Dependent Eligibility.

Coverage Information

Changing Coverage

To change coverage, you must call the Employee Benefits Division to schedule an appointment with a Benefits representative.

You can request changes to your coverage:

- During annual Open Enrollment.
- Within 31 days of the date you initially become eligible for coverage.
- Within 31 days of a qualifying life event or HIPAA special enrollment period.

If you do not complete a Benefits Enrollment Form within the time frames listed above, you must wait until the next Open Enrollment. To drop coverage for dependents who no longer meet the eligibility requirements, you must contact the Employee Benefits Division to complete a Benefits Enrollment Form.

Qualifying Life Events

When you have a qualifying life event – such as marriage, divorce, birth of a child, death, establishing a committed living arrangement as domestic partners, dissolution of domestic partnership, or loss or gain of other coverage – you can make changes to your coverage within 31 days of the event.

You must contact the Employee Benefits Division within 31 days of the event to complete a Benefits Enrollment Form and provide the following:

- Social Security Number of the person you are adding.
- Certified birth certificate, complimentary hospital birth certificate, or Verification of Birth Facts issued by the hospital for the birth of a child.
- Marriage license or a signed Domestic Partnership Affidavit and Agreement form.
- Divorce decree signed by a judge showing the date the divorce was final or a notarized Dissolution of Domestic Partnership Affidavit.
- Documentation from the employer or health insurance carrier confirming the date other coverage became effective or was lost.

Coverage Effective Dates

Providing you complete a Benefits Enrollment Form, provide required documentation, and pay any premiums owed, coverage is effective for you and your dependents as follows:

- If you enroll within 31 days of the date you are first eligible, coverage for you and any dependents you enroll will be effective on the date you are first eligible.
- If you enroll during annual Open Enrollment, coverage for you and any dependents you enroll will be effective on January 1 of the following year.
- If you enroll within 31 days of a qualifying life event, except for the birth of a child or the court-ordered adoption, placement for adoption, guardianship or conservatorship of a child, coverage for you and any dependents you enroll will be effective either the first day of the following pay period or the first day of the month following the date you submit the enrollment form.
- Medical coverage is temporarily effective on the date of birth for any child born while you are a covered employee. This includes an eligible grandchild born to your covered dependent. Coverage will extend past the 31 days only if you visit the Employee Benefits Division within the first 31 days of birth, complete a Benefits Enrollment Form, and pay any required premiums. Even if you have family coverage, you must complete an enrollment form to add a newborn to your coverage.
- If you enroll within 31 days of the court-ordered adoption, placement for adoption, guardianship or conservatorship of a child, coverage for any dependents you enroll will be effective on the date of the adoption, placement for adoption, guardianship or conservatorship; even if you have family coverage, you must complete an enrollment form and pay any required premiums to add a child to your coverage.



Executive Assistant Belinda Hare with Ember, Animal Services Department.

EXHIBIT 3

Coverage Ending Dates

Coverage for you and your dependents will end on the earliest of the following:

- The date the plan in question is terminated.
- The date the coverage in question is terminated or reduced.
- The date the plan is amended to end coverage for you or your class of dependents.
- The last day of the pay period in which you voluntarily terminate your or your dependents' coverage.
- The last day of the pay period in which you or your dependents no longer meet eligibility requirements.
- The last day of the month your dependents no longer meet eligibility due to age.

Waiving Coverage

If you are a full-time employee declining or dropping medical and dental coverage for yourself, you must:

- Provide proof of other insurance for the coverage you are declining or dropping.
- Complete a Benefits Enrollment Form.
- Sign a waiver indicating you are aware that City-provided medical and dental coverage have been made available to you.

If you later decide you want City provided coverage, you will not be able to enroll until the next Open Enrollment or within 31 days of a qualifying life event.

Premium Information

For full or part-time employees, the City pays a portion of your dependent's medical and dental premiums. The amount paid by the City is not taxable to you if your dependent is a qualified dependent as defined by the Internal Revenue Service (IRS). You are responsible for determining whether your dependent meets the IRS dependent definition.

Premium Deduction Errors

It is your responsibility to verify that the premium deductions taken from your paycheck are correct. Any deduction errors must be reported immediately to the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Enrollment Form Errors – It is your responsibility to ensure that information on the Benefits Enrollment Form is correct. If a premium deduction error occurs, notify the Employee Benefits Division immediately. If an underpayment occurs due to an error you made on the Benefits Enrollment Form, the City has the right to collect any additional premiums owed.

Data Entry Error/Delay – If a data entry error occurs or if data entry is delayed, it will not invalidate the coverage on your Benefits Enrollment Form. Upon discovery, an adjustment will be made to reflect the correct premium deduction. If underpayment of a premium occurs, the City has the right to collect any additional premiums owed by you. If overpayment occurs, the City will reimburse you any amount of overpaid premiums up to a maximum of two pay periods.

Taxable Fringe

If you choose benefits coverage for a dependent who does not qualify to be claimed on your federal income tax return, you may have to pay taxes on the amount of money the City contributes for the dependent's medical and dental benefits. This money is considered taxable income, and must be reported to the IRS. The City refers to this money as taxable fringe. A spouse is never subject to taxable fringe.

If at least one of the children for whom you have elected medical or dental coverage is a child you claim as a dependent on your federal income tax return, the City's contribution will not be considered taxable income.



Parks Grounds Assistant Domingo Espinosa, Barton Springs Pool, Parks and Recreation Department.

Plan Choices

- Medical
 - ❖ Consumer Driven Health Plan with a Health Savings Account (CDHP w/HSA)
 - ❖ PPO
 - ❖ HMO
- Vision
- Dental
- Life Insurance
- Disability
- FLEXTRA
- Group Legal Plan



Austin Resource Recovery employees (pictured l to r) Ricardo Guerrero, Amy Slagle, Christine Whitney, Ron Romero, Kevin Roland, Luis Tejero, Adam Surita with District 1 City Council Member Ora Houston.

CDHP w/HSA, PPO, and HMO Medical Plans



As an employee, you choose the medical plan that best meets your needs. Provider and prescription information, along with a Cost Estimator tool, is available online at myuhc.com. Select NexusACO OAP for the CDHP w/HSA and PPO. Select NexusACO R for the HMO.

Things to consider when choosing a medical plan:

- Premium costs for dependent coverage.
- Amount of copays.
- Amount of out-of-pocket expenses.
- Future expenses and the predictability of inpatient hospital expenses.
- Freedom to not designate a Primary Care Physician.
- Freedom to seek services from a Specialist without a referral.

UnitedHealthcare Medical Rates - Per Pay Period

Full-Time Employees 30 + hours per week	CDHP w/HSA	PPO	HMO
Employee Only	\$ 0.00	\$ 5.00	\$ 10.00
Employee & Spouse or Domestic Partner	\$ 91.78	\$ 191.12	\$ 196.12
Employee & Children	\$ 45.52	\$ 140.80	\$ 145.80
Employee & Family or Domestic Partner & Children	\$ 211.08	\$ 320.87	\$ 325.87

Part-Time Employees 20 - 29 hours per week	CDHP w/HSA	PPO	HMO
Employee Only	\$ 131.55	\$ 120.99	\$ 125.99
Employee & Spouse or Domestic Partner	\$ 340.99	\$ 407.70	\$ 412.70
Employee & Children	\$ 274.50	\$ 334.33	\$ 339.33
Employee & Family or Domestic Partner & Children	\$ 511.69	\$ 602.30	\$ 607.30

Part-Time Employees Less than 20 hours per week	CDHP w/HSA	PPO	HMO
Employee Only	\$ 263.10	\$ 340.03	\$ 408.27
Employee & Spouse or Domestic Partner	\$ 590.20	\$ 763.00	\$ 932.35
Employee & Children	\$ 503.48	\$ 651.63	\$ 796.08
Employee & Family or Domestic Partner & Children	\$ 812.30	\$ 1,050.13	\$ 1,283.03

CDHP w/HSA Calendar Year Savings

CDHP **Employee Only** coverage saves you:
 \$120 – switching from PPO Employee Only
 \$240 – switching from HMO Employee Only
City also contributes \$500 into your HSA.

CDHP **Employee Family** coverage saves you:
 \$2,634 – switching from PPO Employee & Family
 \$2,754 – switching from HMO Employee & Family
City also contributes \$1,000 into your HSA.



Aviation employees Sheila Armstrong and Angie Bazan,
Austin-Bergstrom International Airport.

CDHP w/HSA – Is it right for you?

Benefits of the Consumer Driven Health Plan with a Health Savings Account:

- No cost for Employee Only coverage.
- Lower medical premiums if you cover dependents.
- Health Savings Account through Optum Bank established in your name with a Health Savings debit card.
- City contribution into a Health Savings Account for employees in a 30+ hour regular budgeted position (part-time employees receive a reduced contribution).
 - ❖ \$500 for Employee Only Coverage.
 - ❖ \$1,000 for Employee & Dependent Coverage.
- Ability to contribute money on a pre-tax basis into a Health Savings Account.
 - ❖ \$122.75 per pay period for Employee Only coverage.
 - ❖ \$245.75 per pay period for Employee & Dependent coverage.
- 100 percent coverage for preventive services – such as annual physicals, well baby checks, well woman checks, mammograms, and colonoscopies.
- 100 percent coverage for Affordable Care Act-mandated prescriptions.
- No deductible and plan pays 80 percent for medications on the Expanded Preventive Drug List for conditions such as heart disease, high blood pressure, high cholesterol, and asthma.
- 2018 Prescription Drug List – Plan pays 80 percent after you have met your calendar year deductible. To reach your deductible, you can pay for expenses using your Health Savings debit card.
- Tier 1 and Network providers bill you for services after UHC discounted rates.
- Use Health Savings debit card to pay for eligible medical, pharmacy, dental, and vision expenses.

The chart below highlights how much a family may save if enrolled in the CDHP compared to the HMO, based on a 30+ hour work week.

CDHP Medical Plan		HMO Medical Plan	
Employee and Family premiums	\$5,065/year	Employee and Family premiums	\$7,820/year
Four primary care doctor visits	\$ 600/year	Four primary care doctor visits	\$ 100/year
Four prescriptions	\$ 124/year	Four prescriptions	\$ 40/year
Total employee paid for the year	\$5,789	Total paid medical expenses for the year	\$7,960
City's HSA contribution	\$1,000	City's HSA contribution	No City contribution
Net paid medical expenses for the year	\$4,789	Net paid medical expenses for the year	\$7,960
A savings of	\$3,171		

CDHP Health Savings Account Eligibility:

To be eligible for the HSA, you must meet requirements determined by the IRS. If you do not meet all of these requirements, you are not eligible to enroll in this plan. It is up to you to determine if you meet the eligibility requirements below:

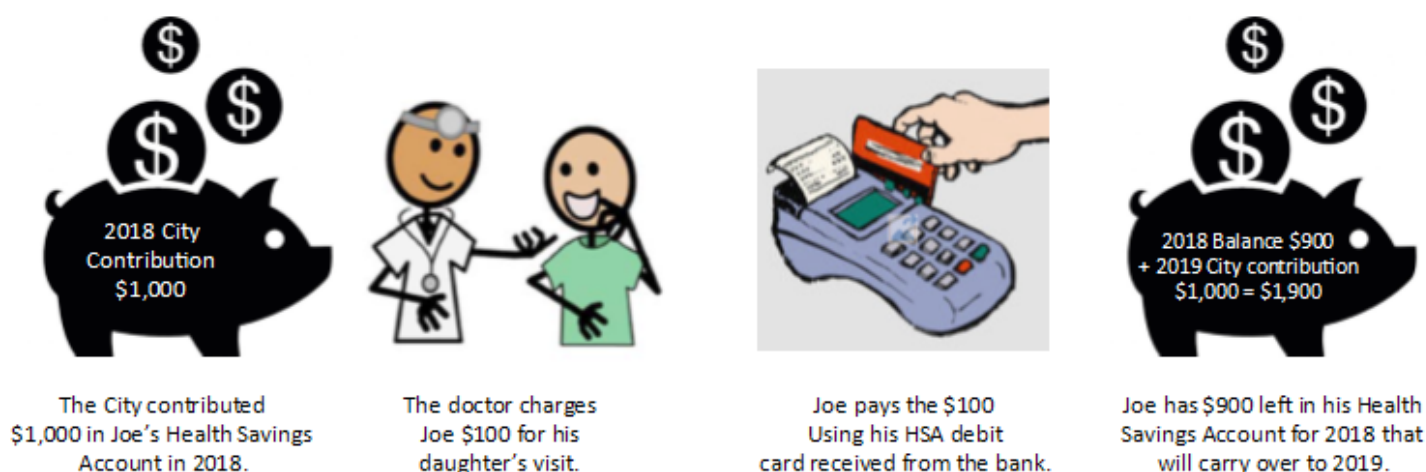
- You or your enrolled dependents cannot be eligible to be claimed on another person's tax return.
- You or your enrolled dependents cannot be enrolled in a Flexible Spending Health Care Account (FLEXTRA Health Care Account).
- You cannot be enrolled in any plan other than a CDHP including: Medicare and Medicaid.
- You must provide a physical address to Optum Health Bank (no post office boxes).
- You must be a legal resident of the United States.

How the CDHP w/HSA Works:

- Preventive Service – Covered at 100 percent.
- Injury or Illness at Tier 1 or Network Provider – The amount you pay will be determined after UHC-discounted rates.
- Calendar year deductible – After you meet the deductible, the plan will pay 80 percent of covered services for Tier 1 and 70 percent for Network Providers.
- Out-of-Pocket-Maximum – After you meet the out-of-pocket-maximum, the plan pays 100 percent for all eligible covered medical and pharmacy expenses.

Example:

Joe is enrolled in the CDHP w/HSA, Employee & Children coverage. By enrolling in the CDHP w/HSA instead of the HMO, Joe saved \$2,406 in premiums. Joe's 11-year-old daughter is sick and he takes her to the doctor. The cost of the visit, after the contracted discount, is \$100, and he uses his Health Savings debit card to pay for the office visit. His out-of-pocket cost is \$0 because he uses \$100 of the \$1,000 the City contributed to his HSA. This was their only medical expense and his HSA balance of \$900 will roll over to 2019.



Differences between the CDHP HSA and the FLEXTRA Health Care Account:

	CDHP Health Savings Account	FLEXTRA Health Care Account
Does the City contribute money into this account?	Yes, and the City's contributions are available immediately.	No.
Am I able to contribute money into this account?	Yes, your contributions are available as they are placed in your account each pay period.	Yes, your annual contributions are available immediately.
Will I be issued a debit card?	Yes.	Yes.
Is the account a "Use it or Lose it" account?	No, the City's and your unused contributions roll over each year. There is no deadline.	Yes, you must use your contributions by the IRS deadline.
Do I have to submit receipts?	No, but we recommend that you save your receipts for your records.	Yes, when requested.
Is this an interest-bearing account?	Yes.	No.
Do my dependents who use this account have to be IRS dependents?	Yes.	Yes, grandchildren, domestic partner, and domestic partner's children.
Only employees enrolled in the CDHP are eligible to open a Health Savings Account.		

CDHP w/HSA Schedule of Benefits

Medical Benefits	NexusACO		Out-of-Network
	Tier 1 Providers	Network Providers	
Deductible	\$1,500 - Employee Only \$3,000 - Employee & Dependents		\$3,000 - Employee Only \$6,000 - Employee & Dependents
Preventive Services	Plan pays 100%.		Plan pays 60% after deductible.
Eligible Covered Services & Facilities	Plan pays 80% after deductible.	Plan pays 70% after deductible.	Plan pays 60% after deductible.
Out-of-Pocket Calendar Year Maximum	\$5,000 - Employee Only \$6,850 - Employee & Dependents		\$10,000 - Employee Only \$20,000 - Employee & Dependents

Vision Benefits	NexusACO	Out-of-Network
Routine Vision Exam Copay	Plan pays 80% after deductible.	Plan pays 60% after deductible.
Contact Lens Fitting Fee	Plan pays 80% after deductible.	Plan pays 60% after deductible.
Frames, Standard Lenses, and Contact Lenses	Preferred Pricing or discounts at participating private practices and retail chain providers.	Retail chain providers may offer a discount.

Prescription Benefits	Coverage
Affordable Care Act Mandated Prescriptions – found at austintexas.gov/benefits .	No deductible. Plan pays 100%.
Expanded Preventive Drug List – found at austintexas.gov/benefits .	No deductible. Plan pays 80%.
2018 Prescription Drug List – found at austintexas.gov/benefits .	Plan pays 80% after deductible.

Primary Care Physician & Referrals

Primary Care Physician (PCP): Selecting a PCP is preferred, but is not required. If a PCP is not selected, one will be assigned by UnitedHealthcare. You will not be required to seek services from the assigned PCP.

Referrals: Referrals are not required to seek services from a Specialist.



Firefighter Hilary Higdon, Austin Fire Department.

PPO & HMO Schedule of Benefits

	PPO – NexusACO OAP		HMO – NexusACO R	
	Tier 1 Providers	Network Providers	Tier 1 Providers	Network Providers
Individual Deductible	\$500 per covered person.		None.	
Family Deductible Maximum	Three individual deductibles.		None.	
Out-of-Pocket Maximum	\$4,000 per covered person or \$12,700 per family, per calendar year.		\$4,500 per covered person or \$8,000 per family, per calendar year.	
Provider Selection	Members may select Tier 1, Network, or Out-of-Network Providers.		Members must select Tier 1 or Network Providers. Referrals are required to receive services from a Specialist. No benefits coverage without a referral.	
Primary Care Physician (PCP)	PCP selection is required. If a PCP is not selected, one will be assigned and this PCP will be printed on your ID card; however, you will not be required to seek services from the assigned PCP. To change your PCP, call UnitedHealthcare. You may change your PCP on a monthly basis.		PCP selection is required. If a PCP is not selected, one will be assigned. You will be required to seek services from the assigned PCP. To change your PCP, call UnitedHealthcare. You may change PCPs on a monthly basis.	
Referrals Required	No. A referral is not required to seek services from a Specialist.		Yes. A referral is required to seek services from a Specialist. No benefits coverage without a referral.	
Residency Requirements	None.		Must receive services in Bastrop, Blanco, Burnet, Caldwell, Hays, Travis, or Williamson counties. No benefits coverage outside of this area.	
Out-of-Network Benefits	\$1,500 deductible per covered person. Plan pays 60%, up to maximum allowable charge. Out-of-network benefits are subject to network benefit plan limits, pre-approval, and pre-notification requirements. Outpatient Surgery and Inpatient Admission. are subject to a \$250 per day facility fee.		None, except in case of a medical emergency.	



Officer Daniel Hernandez at the Capitol Building, Austin Police Department.

PPO & HMO Schedule of Benefits

	PPO – NexusACO OAP		HMO – NexusACO R	
	Tier 1 Providers	Network Providers	Tier 1 Providers	Network Providers
Preventive Exams	Plan pays 100%.		Plan pays 100%.	
Virtual Visit Copay	\$10		\$10	
Office Visit Copay				
Primary Care	\$10	\$25	\$10	\$25
Specialist	\$25	\$45	\$35	\$55
Convenience Care Clinics Copay	\$25		\$25	
Urgent Care Copay	\$35		\$45	
Emergency Room Copay	\$200		\$250	
Ambulance Services	Plan pays 80% after deductible.		\$200 copay	
Outpatient Surgery	Plan pays 80% after deductible.	Plan pays 70% after deductible.	\$750 copay	\$1,000 copay
Inpatient Admission	Plan pays 80% after deductible.	Plan pays 70% after deductible and \$250 copay.	\$1,500 copay	\$2,500 copay
Allergy Services	Plan pays 100%.		Plan pays 50%.	
Immunizations	Plan pays 100%.		Plan pays 100%.	
	Office visit copays may apply.		Office visit copays may apply.	
Physical, Speech and Occupational Therapy				
Registered Dietitian	\$35		\$45	
Chiropractic Care Copay (20 visit limit)				
Acupuncture Copay (12 visit limit)	\$35		Not covered.	
CT, MRI, PET Scans Copay	\$100		\$150	
Mental Health Care Oupatient Copay	\$10		\$10	
Durable Medical Equipment	Plan pays 80% after deductible.		Plan pays 100%.	
Disposable Medical Supplies				
Prosthetic-Orthotic Devices	Plan pays 80% after deductible.		Plan pays 80%.	
Insulin pumps and related supplies				
Other Covered Medical Expenses	Refer to your Medical Plan Document or contact UnitedHealthcare.			

PPO & HMO Vision Benefits

	Routine Vision Network	HMO/PPO In-Network
Routine Vision Exam Copay	\$25 for routine exam including contact lens fitting.	\$45/\$35
Contact Lens Fitting Fee	Amount charged is due at time of service. Submit a vision claim form for 100% reimbursement.	Included in annual routine vision exam copay.
Frames, Standard Lenses and Contact Lenses	Preferred Pricing or discounts at participating private practices and retail chain providers.	Retail chain providers may offer a discount.

PPO & HMO Pharmacy Benefits

	PPO		HMO	
	Retail (31-day supply)	Mail Order (90-day supply)	Retail (31-day supply)	Mail Order (90-day supply)
Tier 1	\$10	\$20	\$10	\$30
Tier 2	\$30 or 20% of cost, \$60 maximum.	\$60 or 20% of cost, \$120 maximum.	\$35 or 20% of cost, \$70 maximum.	\$105 or 20% of cost, \$210 maximum.
Tier 3	\$50 or 20% of cost, \$100 maximum.	\$100 or 20% of cost, \$200 maximum.	\$55 or 20% of cost, \$110 maximum.	\$165 or 20% of cost, \$330 maximum.
A \$50 deductible will apply for Tier 2 & Tier 3 prescription drugs per covered person.				

CDHP w/HSA, HMO, and PPO

Diabetic Supplies (see also Diabetic Equipment)	
Retail	Supplies are covered at a participating pharmacy.
Mail Order	Copays for insulin needles/syringes and/or diabetic supplies are waived when dispensed on the same day as your insulin (Byetta, Victoza, Symlin or Oral Agent), but only when the insulin or oral agent is dispensed first.

Diabetes Program/Drugs

A participant can receive Tier 1 diabetes medication and supplies for free if the participant is covered under a City sponsored medical plan, at least 18 years of age, and completes requirements of the HealthyConnections Diabetes Program.

This benefit does not include medications prescribed for related issues and durable medical equipment. Supplies for the continuous glucose monitors are covered if obtained through a retail pharmacy provider.

Tobacco Cessation Program/Drugs

A participant can receive FDA-approved tobacco-cessation drugs for free if the participant is covered under a City sponsored medical plan, at least 18 years of age, and completes requirements of the HealthyConnections Tobacco Cessation Program. Must obtain a prescription for tobacco cessation drugs from your physician.

This applies to prescription tobacco cessation drugs and over-the-counter nicotine replacement therapy (patches, gums, etc.) at a retail pharmacy or through the mail order service.

How To Use Mail Order

The pharmacy benefit offers home delivery through mail order. In some instances, mail order can save you money. Generally, these programs are designed to cover drugs used to treat chronic conditions or medications taken for more than 31 days.

To begin using mail order:

- Have your doctor write a prescription for a 90-day supply of your medication (ask for three refills).
- Complete the mail order form and attach your prescription.
- Provide a check or credit card information.
- Mail this information to the medical plan's mail order pharmacy.

Within 7 to 14 days, your prescription will be delivered to you, postage paid.

- **CDHP w/HSA** participants will pay 20 percent of the cost once the in-network deductible is met. You can use your Optum Health Bank debit card to pay for your out-of-pocket expenses. If you have not met your in-network deductible, you will pay 100 percent of the cost. If the prescription is for a preventive care medication listed on the Expanded Preventive Drug List, no deductible is required and you will only pay 20 percent of the cost.
- **PPO** participants receive 90 days of medication for **two** copays/coinsurance.
- **HMO** participants receive 90 days of medication for **three** copays/coinsurance.

If your doctor allows you to take a generic drug, this should be indicated on the prescription. Three weeks before your mail order supply runs out, you will need to request a refill.

For additional information, go to myuhc.com or call UnitedHealthcare. CDHP and PPO Members call 888-331-3608. HMO Members call 888-383-0132.

Diabetic Bundling – What Your Medical Plan Does for You

A participant's insulin/non-insulin medication and related diabetic supplies can be purchased through mail order for the cost of the insulin/non-insulin if prescriptions for the insulin/non-insulin and supplies are submitted at the same time.

- **CDHP w/HSA** participants will pay 20 percent of the cost once the in-network deductible is met. You can use your Optum Health Bank debit card to pay for your out-of-pocket expenses. If you have not met your in-network deductible, you will pay 100 percent of the cost.
- **PPO** participants will pay **two** copays/coinsurance for a 90-day prescription.
- **HMO** participants will pay **three** copays/coinsurance for a 90-day prescription.

Consider participating in the HealthyConnections Diabetes Program to receive Tier 1 diabetes medication and supplies at no cost. This benefit is available to all participants enrolled in a City medical plan who are 18 years of age and older. See the Wellness section of this Guide for details.



Members of the Austin Fire Department perform boat rescue.

Medical Programs



Cancer Support Program – Specialized cancer nurses offer needed support to participants throughout cancer treatment, recovery, and at end of life to assist with treatment decisions and improve a participant's health care experience.

Experienced, caring cancer nurses from the cancer support program are available to support participants in several ways. They can:

- Find the right doctor for you.
- Explore your treatment options.
- Help you manage symptoms and side effects.
- Explain your medications.
- Work with your doctors to make sure all your questions are answered.
- Talk to your spouse, family, children, and employer.
- Keep your doctors informed about how you're feeling.

Comprehensive Kidney Program – Specialized nurses offer education, motivation, and reinforcement to ensure integration with other programs. UnitedHealthcare offers access to the top-performing centers through their network of preferred dialysis centers. You'll also receive ongoing clinical expertise and help from specialized nurses who can help you:

- Understand your treatment options.
- Manage your symptoms and side effects.
- Work with your doctor and ask the right questions.
- With other health concerns, such as high blood pressure, anemia, or nutrition.

Maternity Program – Provides 100 percent outreach for every pregnancy, offering guidance on preventive care, early risk detection, and education. Personalized support is offered for each participant's unique experience. If you're thinking about having a baby, or you already have one on the way, the Maternity Support Program can help. Enroll and get access to an experienced maternity nurse who can:

- Answer your questions on everything from pre-conception health to newborn care.
- Offer support throughout pregnancy and after birth.
- Provide specialized resources if your pregnancy is considered high-risk to help you stay healthy and prevent premature birth.

NurseLine Services – Coping with health concerns on your own can be tough. With so many choices, it can be hard to know whom to trust for information and support. NurseLine services were designed specifically to help you get more involved in your own health care, and to make your health decisions simple and convenient.

They will provide you with:

- Immediate answers to your health questions any time, anywhere – 24 hours a day, 7 days a week.
- Access to experience registered nurses.
- Trusted, physician-approved information to guide your health care decisions.

When you call, a registered nurse can help you:

- Discuss your options for the right medical care.
- Find a doctor or hospital.
- Understand treatment options.
- Develop a healthy lifestyle.
- Ask medication questions.

Call NurseLine services any time for health information and support – at no additional cost to you as part of your benefit plan. Registered nurses are available any time, day or night. Call NurseLine services at [877-365-7949](tel:877-365-7949), TTY 711.

Vision Plan

DAVIS VISION EYECARE REFRAMED

Healthy eyes and clear vision are an important part of your overall health and quality of life. Davis Vision will help you care for your sight while saving you money.

To view benefits and locate a provider, go to davisvision.com or call 888-445-2290.

For non-members, click on **Member** and enter **2481** for client code.

Plan Coverage			
Covered Service – In-network benefits (limited out-of-network benefits are available).			
Comprehensive Eye Exam – \$10 copay, one exam per calendar year.			
Frames – Once per calendar year in lieu of contact lenses. Up to \$125 retail allowance toward provider-supplied frame plus 20% off cost exceeding the allowance.* Up to \$175 retail allowance if purchased at Vision Works. <i>OR</i> Any Fashion or Designer frame from Davis Vision’s Collection (with retail values up to \$195), covered in full . <i>OR</i> Any Premier frame from Davis Vision’s Collection (with retail values up to \$225), covered in full after an additional \$25 copay. One year eyeglass breakage warranty included at no additional cost.		Contacts – Once per calendar year in lieu of frames. Up to \$120 allowance toward provider-supplied contacts plus 15% off cost exceeding the allowance.* Standard Contacts – Evaluation, fitting fees, and follow-up care; \$25 copay applies. Specialty Contacts – Evaluation, fitting fees, and follow-up care, up to a \$60 allowance plus 15% off cost exceeding allowance.* \$25 copay applies. <i>OR</i> Davis Vision Collection contact lenses, evaluation, fitting fees, and follow-up care, covered in full after \$25 copay. (Up to 4 boxes of disposable lenses). <i>OR</i> Medically necessary with prior approval, covered in full .	
Standard Eyeglass Lenses – Single, bifocals, trifocals, lenticular, and standard scratch coating. \$25 copay, once per calendar year. Polycarbonate lenses for children are covered in full up to age 19.			
Lens Options	Copay	Lens Options	Copay
Standard progressive addition lenses	\$50	Premium AR Coating	\$48
Premium progressives (i.e. Varilux, etc.)	\$90	Ultra AR Coating	\$60
Intermediate-vision lenses	\$30	High-index lenses	\$55
Blended-segment lenses	\$20	Polarized lenses	\$75
Ultraviolet coating	\$12	Glass photochromic lenses	\$20
Standard anti-reflective (AR) coating	\$35	Plastic photosensitive lenses	\$65
* Additional Discounts – Not available at Wal-Mart or Sam's Club.			

Davis Vision Rates – Per Pay Period

Employee Only	\$ 2.24
Employee & Spouse or Domestic Partner	\$ 4.44
Employee & Children	\$ 4.36
Employee & Family or Domestic Partner & Children	\$ 6.64

Dental Assistance Plan

This plan allows you to choose your own dentist. Covered benefits are indicated by dental codes. A fixed fee schedule indicates the maximum amount paid per code. For detailed information, refer to the Employee Dental Assistance Plan Document online at austintexas.gov/benefits or call Erisa at 512-250-9397. To view claims activity, go to coadentalplan.com.

Plan Coverage	
Preventive Care	No Deductible
Calendar Year Deductible	\$50 per covered person
Basic Care	Deductible applies
Major Care	Deductible applies
Calendar Year Maximum <i>Includes Orthodontia expenses</i>	\$2,000 per covered person
Lifetime Orthodontia Maximum Orthodontia Treatment	\$2,000 per covered person Covered at 50% of Maximum Allowable Charge Deductible applies
Night guards, splints, implants, and over dentures	Not Covered

Orthodontia Treatment

Orthodontia work in progress would not be covered (including banding).

Expenses are paid only as the work progresses. Receipts should be submitted for reimbursement after each visit.

Orthodontia benefits paid by the plan are applied toward the calendar year maximum.

The amounts reimbursable for orthodontia expenses are determined as claims are incurred throughout the course of treatment. The amount reimbursable through FLEXTRA or the HSA is the difference between the amount billed and the amount paid by the dental plan. This amount may not match the payment plan you have set up with your dentist.

Dental Rates – Per Pay Period

	Full-Time 30+ Hours per week	Part-Time 20 – 29 Hours per week	Part-Time Less than 20 Hours per week
Employee Only	\$ 0.00	\$ 6.30	\$ 22.27
Employee & Spouse or Domestic Partner	\$ 25.23	\$ 30.22	\$ 62.40
Employee & Children	\$ 25.23	\$ 30.22	\$ 62.40
Employee & Family or Domestic Partner & Children	\$ 25.23	\$ 30.22	\$ 62.40

Group Term Life Insurance

Basic Life Insurance

Provided at no cost for full-time employees. You receive one times your base annual salary with a minimum coverage of \$20,000. Base annual salary does not include shift differential, overtime, Service Incentive Pay, lump sum payments, or stipends. Part-time employees may purchase Basic Life Insurance.

Supplemental Life Insurance

Paid entirely by you. You must have the City's Basic Life Insurance to purchase Supplemental Life Insurance. You may purchase Supplemental Life Insurance in amounts equal to one, two, three, or four times your base annual salary.

Your Supplemental Life coverage amount is rounded down to the nearest \$1,000. Your cost is based on your age, salary, and the amount of insurance selected. You may increase your Supplemental Life coverage annually during Open Enrollment by one coverage level each year, up to a maximum of four times your base annual salary.

The City allows you to choose to have eligible Supplemental Life Insurance premiums deducted from your pay on a before- or after-tax basis. To do so, you must indicate this choice on your Benefits Enrollment Form.

To calculate your rates, complete the Supplemental Life Insurance Worksheet at the end of the Life Insurance section.

Choosing a Beneficiary

In the event of your death, life insurance benefits are paid to your eligible named beneficiary or beneficiaries. This includes your Basic Life, Supplemental Life, and your final paycheck. Unless prohibited by law, your life insurance benefits will be distributed to the beneficiaries you named. If your named beneficiary is under 18 years of age at the time of your death, court documents appointing a guardian may be required before payment can be made. You should talk with an attorney to make sure that benefits to a minor will be paid according to your wishes.

Your Beneficiary Designation Form

You can update your beneficiary designation two ways.

1. By completing a paper Beneficiary Designation Form. Forms are available from the Employee Benefits Division;
2. Log in to the HRD Portal at hrdcfprod.coacd.org/hrportal from your work computer.

Please note, updating the paper form does not update your beneficiary online. The version with the most recent signature date will be used for payout. It is important to keep your beneficiaries current so the person or persons you want to receive your benefits are listed.

Other Beneficiary Designation Forms

To change your beneficiary designations for retirement benefits, do one or more of the following:

- City of Austin Employees' Retirement System (COAERS) participants should call COAERS at [512-458-2551](tel:512-458-2551).
- City of Austin Police Retirement System (PRS) participants should call PRS at [512-416-7672](tel:512-416-7672).
- If you participate in the Deferred Compensation Plan, you can designate a beneficiary online at dcaustin.com.

Imputed Income (I50)

The IRS requires the City to withhold taxes on the value of employer-provided group term life insurance coverage over \$50,000. This includes your combined Basic Life and Supplemental Life Insurance coverage. The life insurance coverage premium exceeding the \$50,000 limit is taxable and is referred to as imputed income, and is also known by the IRS code "I50."

Example: John Smith is 45, and his annual salary is \$60,000. Unless he caps his basic life benefit paid by the City at \$50,000 he will have imputed income on the premiums for \$10,000 of coverage. According to the IRS, the taxable value of a 45-year-old individual is \$0.15 per \$1,000. Therefore, John's monthly imputed income is $10 \times \$0.15 = \1.50 . To calculate your imputed income, go to the premium table at irs.gov.

Using the example above, John also elects four times his annual salary in Supplemental Life Insurance. John should select "no" on his enrollment form for before-tax premiums. The result is no imputed income will be reported on his supplemental life value because premiums are deducted from his pay after taxes are calculated. Imputed income is coded as I50 on your paycheck. This income is subject to federal income tax and FICA (OASDI and Medicare), and is deducted on a monthly basis.

Accidental Death and Dismemberment (AD&D) Coverage

If you are enrolled in Basic and/or Supplemental Life Insurance, you also have AD&D coverage equal to the total amount of your life insurance.

If you have an injury that results in a covered loss, as listed below, you may be eligible for a percentage of your AD&D coverage in effect on the date of the accident. The loss must occur within 365 days of the accident. Injury means bodily injury caused by an accident, occurring while coverage is in force, and resulting directly and independently of all other causes in a loss covered by the AD&D policy.

EXHIBIT 3

Waiver of Premium

If you become totally and permanently disabled before age 65, your life insurance coverage may be continued. Total and permanent disability means that, as a result of illness or injury, you are unable to perform the duties of your own occupation or any gainful occupation for which you are reasonably suited by education, training, and experience.

The application process must be completed within one year of your last day actively at work. To apply for a Waiver of Premium, contact the Employee Benefits Division.

To qualify for Waiver of Premium, you must submit written proof of your total and permanent disability to the insurance carrier. If approved, you will not be charged a premium as of the date of notification. The insurance carrier may periodically require you to submit proof of your continuing disability.

Accelerated Death Benefit

If you are terminally ill, the life insurance carrier offers an accelerated death benefit that allows you to receive part of your life insurance money prior to your death.

If you are diagnosed as terminally ill by a doctor, contact the Employee Benefits Division to apply for accelerated benefits. The insurance carrier may require you to be examined by a doctor of their choice, at their expense. If you are approved for an accelerated benefit, it is payable in a lump sum up to 50 percent of the amount of your life insurance coverage. The accelerated benefit can be used with Basic and Supplemental Life Insurance and is subject to a minimum payout of \$10,000 and a maximum payout of \$500,000.

Accelerated benefits are payable only once during your lifetime. Some exclusions apply. Refer to the appropriate life insurance certificates for additional information. Accelerated benefits do not apply to Dependent Life Insurance.

Filing a Life Insurance Claim

When you or your covered dependent dies, a life insurance claim must be filed with the Employee Benefits Division and the appropriate documents submitted:

- Employee death – one original death certificate. Additional documents will be required if death is due to an accident.
- Dependent death – one original death certificate.
- Life insurance claim forms.

Covered Loss	Percentage
Life	100%
One hand, one foot, or sight of one eye	50%
Two or more of the above losses	100%
Loss of speech	50%
Loss of hearing	50%
Thumb and index finger of same hand	25%

Loss of hands or feet means severance at or above the wrist or ankle. Loss of sight means total and irrecoverable loss of sight. Loss of speech means total and irrecoverable loss of speech. Loss of hearing means total and irrecoverable loss of hearing. Loss of thumb and index finger means the actual, complete, and permanent severance through or above the metacarpophalangeal joints.

An additional 10 percent of the full amount of Accidental Death and Dismemberment Benefit will be paid to your designated beneficiary or beneficiaries if you die while wearing a properly fastened, original, factory-installed seat belt in an automobile accident. However, the amount payable will not exceed \$10,000 for the Seat Belt Benefit. An additional Air Bag Benefit will be paid if certain conditions are met.

The AD&D Benefit has some limitations and exclusions. Contact the Employee Benefits Division for the list of exclusions.



Lieutenant Randy Elmore and his Accelerant Detection Canine, Smokey, Austin Fire Department.

Your Right to Convert

The Basic and Supplemental Life Insurance that you have as an employee and the Dependent Life Insurance coverage on your eligible dependents terminate when you separate employment with the City, because the group policy is Term Life insurance. Upon retirement or termination, you can convert your group policy, to an individual policy with the life insurance carrier (subject to plan limitations). If you convert to an individual policy please be aware that the cost of an individual policy may be significantly higher than the group plan due to your age. You must apply and pay your first premium no later than 31 days after the date the coverage has ended. For additional information on conversion to an individual policy, contact the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Dependent Life Insurance

Dependent Life Insurance is available for your spouse, domestic partner, and children. AD&D coverage is not available for dependents. You must be covered under Basic Life Insurance offered by the City to be eligible to purchase Dependent Life Insurance. You have two options to choose from when purchasing coverage for your dependents. You may increase your dependent life insurance coverage to Option 2 during open enrollment if you currently are enrolled in Option 1. If you choose to enroll your dependents for Dependent Life Insurance coverage, you are the beneficiary under the plan.

Dependent Life Insurance Rates – Per Pay Period

Option 1	Coverage Amount	Rate
Spouse or Domestic Partner	\$10,000	\$.87
Children	\$ 5,000	\$.14
Family or Domestic Partner & Children	\$10,000/\$5,000	\$1.02
Option 2	Coverage Amount	Rate
Spouse or Domestic Partner	\$20,000	\$2.04
Children	\$10,000	\$.35
Family or Domestic Partner & Children	\$20,000/\$10,000	\$2.38

*Remember to update your Beneficiary Designation Form
when you experience a qualifying life event.*



Environmental Health Officer Kyle Walker, Austin Health Department.

Supplemental Life Insurance Worksheet

Employees must have Basic Life Insurance offered by the City to purchase Supplemental Life Insurance.

You may purchase Supplemental Life Insurance in amounts equal to 1, 2, 3, or 4 times your base annual salary. Base annual salary does not include shift differential, overtime, Service Incentive Pay, lump sum payments, or stipends.

To estimate your pay period cost for Supplemental Life Insurance, follow these steps or go to austintexas.gov/benefits.

1. Determine your **Base Annual Salary**. Do not include any hours for overtime.

$$\underline{\hspace{2cm}} \text{ Hour Work Week} \times 52 \text{ weeks} = \underline{\hspace{2cm}} \text{ Hours} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}}$$

Hourly Rate Base Annual Salary

2. To find the **Supplemental Life Amount**, multiply your **Base Annual Salary** (from Step 1) by 1, 2, 3, or 4. Then round your answer down to the next closest \$1,000.

$$\$ \underline{\hspace{2cm}} \times 1, 2, 3, \text{ or } 4 = \$ \underline{\hspace{2cm}}$$

Base Annual Salary Supplemental Life Amount

3. To find the **Number of \$1,000 Units**, divide the **Supplemental Life Amount** (from Step 2) by 1,000.

$$\$ \underline{\hspace{2cm}} \div 1,000 = \underline{\hspace{2cm}}$$

Supplemental Life Amount Number of \$1,000 Units

4. To find your **Pay Period Cost**, multiply the **Number of \$1,000 Units** (from Step 3) by the **Cost Per \$1,000 of Coverage** for your age group (see chart below). The answer in Step 4 is your estimated cost per pay period.

$$\underline{\hspace{2cm}} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}}$$

Number of \$1,000 Units Cost per \$1,000 Pay Period Cost

Age	Cost Per \$1,000 of Coverage
34 and under	\$0.031
35 to 39 years	\$0.036
40 to 44 years	\$0.047
45 to 49 years	\$0.078
50 to 54 years	\$0.115
55 to 59 years	\$0.177
60 to 64 years	\$0.230
65 to 69 years	\$0.366
70 and older	\$0.844

Disability

Short Term Disability (STD)

Coverage is provided at no cost for employees who are in a regular budgeted position and are scheduled to work 20 or more hours per week. The following information is only a summary of the program. STD covers **off-the-job** injuries, illnesses, and pregnancies.

Definition of Disability

Total disability or totally disabled means that you are prevented by illness, injury, or pregnancy from performing the essential duties of your occupation.

Benefit Amount

If approved, the benefit amount is 70 percent of your base weekly salary, up to \$1,500 per week. The minimum payment is \$15 per week. This is a taxable benefit.

Coverage Period

You must satisfy a 30-day waiting period. During the waiting period, you may use paid leave, but you must be off work continuously for 30 days. Benefits are payable on the 31st day, up to 60 days.

Reduction in Benefits

Once approved for STD benefits, you must stop using any paid leave. Your STD benefits will be reduced by any paid leave or work earnings you receive from the City.

Filing a Claim

You must file a claim with the Employee Benefits Division within 60 days of your disability date. The Employee Benefits staff will assist you with the application process. The insurance carrier determines whether the claim is approved or denied and notifies you of the determination in writing.



Dr. Kelly Anderson and Animal Health Technician Cristen Blanchard, Animal Services Department.

Eligibility for Other Benefits

While receiving STD benefits, you may be eligible to continue medical, dental, vision, life insurance, and other benefits. Your eligibility depends on if you:

- Return to work.
- Go on an approved Leave of Absence.
- Go on FMLA leave.
- Pay any required premiums.
- Retire or terminate your employment.

When Benefits End

Your STD benefits automatically end on the earliest of the following dates:

- The date you are no longer disabled.
- The date you fail to furnish proof of loss.
- The date you are no longer under the care of a physician.
- The date you refuse the carrier's request to submit to an examination by a physician or other qualified medical professional.
- The date your maximum benefit period ends.
- The date of your death.
- The date Long Term Disability (LTD) benefits become payable under the City's LTD program.

Exclusions and Limitations

STD coverage has the following exclusions or limitations:

- Is due to an intentionally self-inflicted injury.
- Is due to war or any act of war (declared or not declared).
- Results from your commission of or attempt to commit a felony or your engagement in an illegal occupation.
- Is an occupational disease.
- Is an occupational injury.
- Is not under the ongoing care of a physician.

For information on additional exclusions and limitations, refer to the Certificate of Coverage. If you have another STD policy, check with your insurance carrier or agent to determine whether its benefits are affected by the City's STD program.

Long Term Disability (LTD)

Coverage is an employee-paid benefit offered to employees who are in a regular budgeted position and are scheduled to work 20 or more hours per week. The following information is only a summary of the program. LTD covers **on-** and **off-the-job** injuries, illnesses, and pregnancies.

Definition of Disability

During the 90-day benefit waiting period and until benefits have been paid for 24 months, you are considered disabled if, as a result of illness, injury, or pregnancy, you are unable to perform the material duties of your own occupation with reasonable continuity and experience a 20 percent loss of earnings.

After benefits have been paid for 24 months, you are considered disabled if, as a result of physical disease, mental disorder, injury, or pregnancy, you are unable to perform the material duties of any occupation.

Benefit Amount

If approved, the benefit amount is 60 percent of your base monthly salary, up to \$10,000 per month. The minimum monthly payment is the greater of \$100 or 10 percent of your monthly benefit prior to any reduction for other income benefits. This is a non-taxable benefit.

Coverage Period

You must satisfy a 90-day waiting period. During the waiting period you may use paid leave or STD benefits, but you must be off work a total of 90 days. Benefits are payable until you are no longer disabled or are no longer qualified for LTD.

Reduction in Benefits

Once approved for LTD benefits, you must stop using any paid leave. Your LTD benefits will be reduced by any paid leave or work earnings you receive from the City.

Filing a Claim

You must file a claim with the Employee Benefits Division within 180 days of your disability date. The Employee Benefits staff will assist you with the application process. The insurance carrier determines whether the claim is approved or denied and notifies you of the determination in writing.

Eligibility for Other Benefits

While receiving LTD benefits, you may be eligible to continue medical, dental, vision, life insurance, and other benefits. Your eligibility depends on if you:

- Return to work.
- Go on an approved Leave of Absence.
- Go on FMLA leave.
- Pay any required premiums.
- Retire or terminate employment.

When Benefits End

Your LTD benefits automatically end on the earliest of the following dates:

- The date you are no longer disabled.
- The date you fail to furnish proof of loss.
- The date you are no longer under the care of a doctor.
- The date you refuse the carrier's request to submit to an examination by a physician or other qualified medical professional.
- The date you refuse to participate in a rehabilitation program.
- The date your maximum benefit period ends.
- The date of your death.

If you are filing for benefits at age 62 or older, the chart below indicates how many months you are eligible to receive LTD benefits.

Age	Maximum Benefit Period
62 but less than 63	42 months
63 but less than 64	36 months
64 but less than 65	30 months
65 but less than 66	24 months
66 but less than 67	21 months
67 but less than 68	18 months
68 but less than 69	15 months
69 or older	12 months

Exclusions and Limitations

LTD coverage has the following exclusions and limitations:

- Is due to an intentionally self-inflicted injury.
- Is due to war or any act of war (declared or not declared).
- Results from your commission of or attempt to commit a felony or your engagement in an illegal occupation.
- Is not under the ongoing care of a physician.
- Is a pre-existing condition.
- Exceeds the limited benefits period for disability. Some conditions are limited to 24 months. Please refer to the policy booklet for details.

For information on additional exclusions and limitations, refer to the Certificate of Coverage. If you have another LTD policy, check with your insurance carrier or agent to determine whether its benefits are affected by the City's LTD program.

Long Term Disability Worksheet

Your LTD premium is based on your base annual salary and age. Base annual salary does not include shift differential, overtime, Service Incentive Pay, lump sum payments, or stipends.

To estimate your pay period cost for LTD coverage, follow these steps, or go to [cityspace](#). Click on **Employee Benefits** and scroll down to **Disability Programs**. You can also go to [austintexas.gov/benefits](#).

1. Determine your **Base Annual Salary**. Do not include any hours for overtime.

$$\underline{\hspace{2cm}} \text{ Hour Work Week} \times 52 \text{ weeks} = \underline{\hspace{2cm}} \text{ Hours} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}}$$

Hourly Rate Base Annual Salary

2. To find the **Number of \$100 Units** of coverage you may buy, divide your **Base Annual Salary** (from Step 1) by 100.

$$\frac{\$ \underline{\hspace{2cm}}}{\text{Base Annual Salary}} \div 100 = \underline{\hspace{2cm}}$$

Number of \$100 Units

3. To find your **Annual Cost**, multiply the **Number of \$100 Units** (from Step 2) by the **Cost Per \$100 of Base Annual Salary** for your age group (see chart below). Your answer in Step 3 is your estimated annual cost.

$$\frac{\$ \underline{\hspace{2cm}}}{\text{Number of \$100 Units}} \times \$ \underline{\hspace{2cm}} = \$ \underline{\hspace{2cm}}$$

Cost per \$100 Annual Cost

4. To find your **Pay Period Cost**, divide your **Annual Cost** (from Step 3) by 24 pay periods. The answer in Step 4 is your estimated cost per pay period.

$$\frac{\$ \underline{\hspace{2cm}}}{\text{Annual Cost}} \div 24 \text{ pay periods} = \$ \underline{\hspace{2cm}}$$

Pay Period Cost

Age	Cost Per \$100 of Base Annual Salary
29 and under	\$0.082
30 to 39 years	\$0.108
40 to 49 years	\$0.236
50 to 59 years	\$0.442
60 to 69 years	\$0.338
70 and older	\$0.118

FLEXTRA

FLEXTRA helps you keep more of your pay by reducing the amount of federal taxes deducted. Participating in FLEXTRA allows you to pay for certain expenses on a before-tax basis. These include childcare expenses and most out-of-pocket medical, prescription, dental, and vision care expenses.

FLEXTRA accounts are regulated by IRS code Section 125 and administered by Erisa for the City of Austin. You may choose to participate in one or both of these accounts:

- FLEXTRA Health Care Account
- FLEXTRA Dependent Care Account

To view account activity balances and submit a claim form, go to coaflextra.com.

IMPORTANT NOTE

CDHP w/HSA participants are not eligible to enroll in FLEXTRA Health Care. You can contribute pre-tax money to pay for eligible medical, prescription, dental, and vision expenses through your HSA.

Use it or Lose It

Estimate the money you put aside in your FLEXTRA accounts carefully. Money for eligible expenses not claimed by the deadlines listed below will be forfeited.

Deadlines to Remember

- March 15, 2019 to incur eligible IRS expenses.
- May 31, 2019 to submit claims for reimbursement from your 2018 accounts.

FLEXTRA Health Care Account

You can use your FLEXTRA Health Care Account to pay for eligible medical, prescription, dental, and vision care expenses.

To participate, you:

- Estimate your out-of-pocket expenses for the calendar year using the FLEXTRA Health Care Worksheet at the end of the FLEXTRA section. If you enroll mid-year, estimate your expenses for the eligible pay periods remaining for the calendar year.
- Choose the amount to be deducted from your paycheck (up to \$108 per pay period based on 24 pay periods per year, with a maximum of \$2,592).

Examples of **Eligible Expenses** include, but are not limited to:

- Copays, deductible and coinsurance amounts, and facility fees.
- Expenses for hearing aids.
- IRS approved over-the-counter drugs (must have a prescription from your physician prior to purchase).
- Medical and dental expenses in excess of the Maximum Allowable Charge or Plan limits.
- Vision care expenses (exams, glasses, contact lenses, and vision correction surgery).

Examples of expenses that **cannot** be reimbursed through the FLEXTRA Health Care Account include, but are not limited to:

- Premiums for health coverage.
- Expenses reimbursed by any other plan or policy.
- Expenses for vitamins and cosmetics.
- Cosmetic surgery.
- Over-the-counter drugs without a prescription.
- Expenses incurred before your effective date or after your term date.

For a complete list of eligible expenses, call Erisa at 512-250-9397 or go to coaflextra.com.

Use the FLEXTRA Health Care Benefits Card for Added Convenience

When you enroll in the FLEXTRA Health Care Account, you will receive a FLEXTRA Health Care Benefits Card to pay for eligible expenses. Your account will be credited with the total amount you have elected for the year. When you use your card, approved expenses are automatically deducted from your FLEXTRA Health Care Account. You can always review your card balance at coaflextra.com.

The advantages of using the card are listed below:

- Instant access to your Health Care Account funds.
- No need to use out-of-pocket dollars.
- No claims to file.
- No waiting for reimbursement checks.



FLEXTRA Health Care Benefits Card

Here's How it Works:

- Use your card to pay for eligible expenses anywhere MasterCard is accepted.
- **Keep your receipts** to verify the expense is eligible.
- If you present your card for payment and have exceeded the amount you set aside for the year, use of the card will be denied.
- You cannot use your card for over-the-counter drugs.

You May File a Claim

You may choose not to use your benefits card and instead file claims for reimbursement; it's your choice. To do so, complete a FLEXTRA Health Care claim form and submit the form along with your paid receipts or Explanation of Benefits directly to Erisa. Claims for eligible over-the-counter drugs must be sent to Erisa along with your physician's prescription.

FLEXTRA Health Care Carryover

If you have money left in your account from the previous year, you may use your card to pay for out-of-pocket expenses incurred before March 15, 2019. You may also pay for these expenses at the point of service, and then submit a paper claim by May 31, 2019, along with your receipts to Erisa for reimbursement, indicating the year for which it applies.

A Real-Life Example of the FLEXTRA Health Care Account

Neil needs dental surgery in February 2018. After the dental plan pays its portion, Neil will owe \$1,200.

During Open Enrollment, Neil decided to have \$50 per pay period put into his FLEXTRA Health Care Account on a pre-tax basis. There are 24 benefits deductions taken during the calendar year (24 pay periods x \$50 = \$1,200). Then \$1,200 is placed in Neil's FLEXTRA Health Care Account on January 1, 2018, even though the money hasn't yet been deducted from Neil's biweekly paychecks.

When Neil has surgery in February, he uses his card to pay his portion of the bill (\$1,200). Each pay period, Neil will see a \$50 deduction taken from his paycheck. Neil is reimbursing his FLEXTRA Health Care Account for the \$1,200.

By participating in the FLEXTRA Health Care Account, Neil paid for his surgery with money that was not taxed. In addition, Neil did not have to pay his portion of the bill (\$1,200) out of his pocket.

Employees are often under the impression that all "medical expenses" can be deducted from their individual tax return. Generally, that is not the case. The expenses that can be deducted on the tax return are those expenses that exceed 10 percent of your adjusted gross income.

FLEXTRA Health Care Account Worksheet

Use this worksheet to estimate your out-of-pocket expenses for the year (January 1, 2018 to December 31, 2018). Some common FLEXTRA Health Care expenses are listed below. For more information, go to irs.gov.

	Employee	Dependents	Total
Prescription Copays	<i>You save money by using Tier 1 drugs. Review your maintenance and prescribed over-the-counter drugs to see if you are choosing the most economical option.</i>		
Medications (including prescribed over-the-counter drugs)			\$
Doctor Visit Copays			\$
Scheduled			
Non-Scheduled			
Medical Procedures	<i>Some examples of eligible expenses include laser eye surgery, outpatient surgery, hospital copays, coinsurance, and hospital stays.</i>		
Procedures			\$
Dental Care Costs	<i>Examples include orthodontia, root canals, crowns, fillings, night guards, splints, etc.</i>		
Routine dental expenses			\$
Specialized procedures			\$
Orthodontia			\$
Vision Care Costs			\$
Estimated annual total of out-of-pocket health care expenses:			\$
Divide total by 24 payroll deductions. If you enroll mid-year, estimate your expenses for the eligible pay periods remaining for the calendar year.			÷
Estimated contribution per pay period, based on 24 pay periods: <i>Maximum deduction is \$108 per pay period (cannot exceed \$2,592).</i>			\$



Building and Grounds Assistant Michael Castilleja,
Building Services Department.

FLEXTRA Reimbursement Tips

1. Receipts: Whether you (or a family member) choose to use the FLEXTRA Health Care Benefits Card or file claims, always keep your receipts and save copies of the medical plan's Explanation of Benefits.
2. Orthodontia expenses: The amounts reimbursable for orthodontia expenses are determined as claims are incurred throughout the course of treatment. The amount reimbursable through FLEXTRA is the difference between the amount billed and the amount paid by the dental plan. This amount may not match the payment plan you have set up with your dentist.
3. Remember that FLEXTRA is a "use it or lose it" benefit. Carefully estimate your expenses before deciding on a deduction amount.

FLEXTRA Dependent Care Account

If you pay for day care or after school care, consider enrolling in the City's FLEXTRA Dependent Care Account. Why not **save** income taxes on your childcare expenses? A Dependent Care Account usually will save you more in taxes than the Federal Tax Credit; however, it depends on your income. You can view and submit claims at coaflextra.com.

Your child must be under age 13, unless physically or mentally incapable of self-care, and spend at least eight hours a day in your home.

Dependent care must be used to enable you, or if you are married, you and your spouse, to be gainfully employed or to attend school full-time. Generally, your spouse must have earnings from employment that are at least equal to the amount you contribute to the FLEXTRA Dependent Care Account.

Example of how the FLEXTRA Dependent Care Account works:

Susan's gross pay is \$1,000 per pay period. In her Dependent Care Account, she sets aside \$4,800 per year (\$200 per paycheck, based on 24 pay periods annually) for childcare expenses.

This example shows how being enrolled in FLEXTRA Dependent Care makes it possible for Susan to take home more money by reducing her taxable income.

Per Pay Period	Paycheck With FLEXTRA Dependent Care	Paycheck Without FLEXTRA Dependent Care
Gross Pay	\$ 1,000.00	\$ 1,000.00
Dependent Care expenses deducted before taxes	\$ - 200.00	\$ 0.00
Taxable Pay	\$ 800.00	\$ 1,000.00
Social Security/Medicare at 7.65% of taxable pay	\$ - 61.20	\$ - 76.50
Income Tax at 15% tax bracket	\$ - 120.00	\$ - 150.00
After-Tax Pay	\$ 618.80	\$ 773.50
Paying for Dependent Care after taxes	\$ 0.00	\$ 200.00
Take-Home Pay	\$ 618.80	\$ 573.50

If you participate in the FLEXTRA Dependent Care Account:

1. Estimate your out-of-pocket dependent care expenses for the calendar year using the Dependent Care Worksheet on the following page.
2. Choose the amount to be deducted from your pay, up to \$208 per pay period, based on 24 pay periods per year. If you enroll mid-year, estimate your expenses for the eligible pay periods remaining for the calendar year.
3. Incur eligible IRS expenses. You may submit claims for babysitters, companions, or day care centers as allowed by the IRS. Your claim must include the name, address, and Social Security Number or Tax ID number of the childcare provider.
4. Submit a FLEXTRA Dependent Care claim form and a copy of your paid receipts directly to Erisa. You may not claim expenses paid to a relative claimed on your or your spouse's federal tax return, or who is your child or stepchild and is under age 19, at the end of the tax year.
5. Receive reimbursement. Checks are mailed to you on a weekly basis for the amount of your eligible expenses, up to the current balance in your account. If your expenses are greater than the balance in your account, you will receive additional reimbursements as more before-tax dollars are placed in your account.

If you have any questions, call Erisa at [512-250-9397](tel:512-250-9397).

EXHIBIT 3

FLEXTRA Dependent Care Account Worksheet

Use this worksheet to estimate your expenses for the year (January 1, 2018 to December 31, 2018). Some common FLEXTRA Dependent Care expenses are listed below. For more information, go to [irs.gov](https://www.irs.gov).

Activity	Monthly Cost	Number of Months	Number of Children	Total Cost
Day Care – 6 years and under, still not in first grade	\$	X _____ months	X _____ children	\$
Before school childcare, children up to age 13	\$	X _____ months	X _____ children	\$
After school childcare, children up to age 13	\$	X _____ months	X _____ children	
Summer care or day camp, children up to age 13	\$	X _____ months	X _____ children	\$
Estimated annual total of out-of-pocket dependent care expenses.:				\$
Divide total by 24 payroll deductions. If you enroll mid-year, estimate your expenses for the eligible pay periods remaining for the calendar year.				÷
Estimated contribution per pay period, based on 24 pay periods: <i>Maximum deduction is \$208 per pay period (cannot exceed \$4,992).</i>				\$

If you are this limit applies for your family each year. These limits may be reduced if you also participate in a City Childcare Program.
Single	\$4,992
Married, filing a joint tax return	Lesser of \$4,992, your income, or your spouse's income
Married, filing separate tax returns	Lesser of \$2,496, your income, or your spouse's income
Married with a spouse who is disabled or is a full-time student at least five calendar months of the year	\$2,496 if you have one dependent; \$4,992 if you have two or more dependents



Youth Librarian James Loomis, Southeast Branch, Austin Public Libraries.

FLEXTRA and the City's Childcare Programs

If you participate in both the FLEXTRA Dependent Care Account and one of the City's Childcare Programs during the same year, funds you receive from the combined programs in excess of \$5,000 are taxable under IRS guidelines. For instance, if a single parent elected the maximum FLEXTRA Dependent Care deduction of \$4,992 and received a \$500 summer camp program scholarship, the parent would be taxed on the \$492 exceeding the limit. If you have questions, call the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

FLEXTRA Additional Information

If you do not participate in Open Enrollment, your annual elections will continue for the following year.

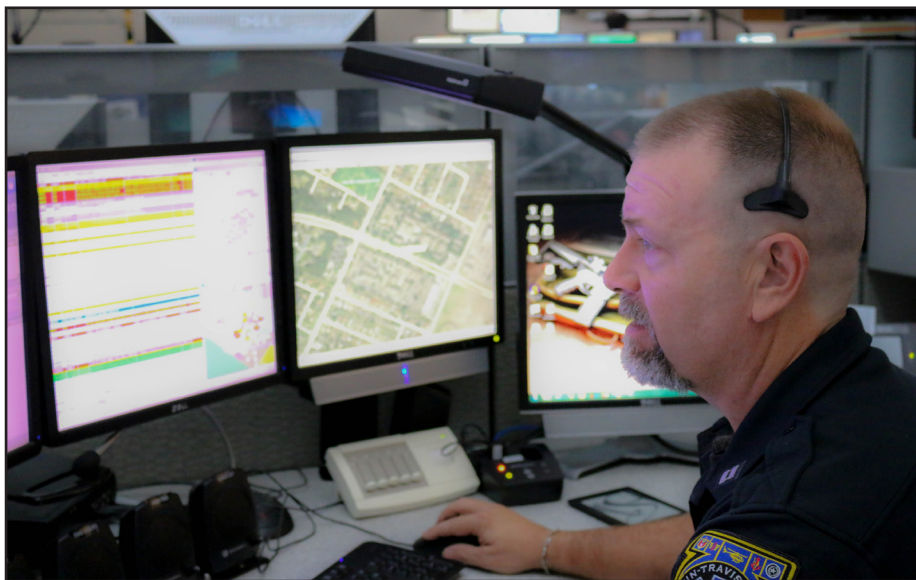
Enrolling In or Changing Your FLEXTRA Accounts

You can enroll or make changes to your FLEXTRA accounts for the following three instances:

1. As a new employee.
2. During Open Enrollment.
3. Within 31 days of a qualifying life event.

Examples of qualifying life events are:

- Marriage or divorce.
- Birth or adoption of a child.
- Death of a spouse or child.
- Beginning or end of spouse's employment.
- Changes to your childcare.
- Reduction in hours worked, which affects eligibility for benefits.



Communications Medic Ken Renard, Austin-Travis County EMS.

Leaving City Employment

FLEXTRA Health Care Account

If you terminate employment with the City, you will have until May 31, 2019 to submit claims to Erisa for expenses that were incurred while you were employed with the City and contributed to your FLEXTRA Health Care Account.

If you have money remaining in your FLEXTRA Health Care Account, you may continue your participation through COBRA. For more information, call Erisa, the City's COBRA Administrator, at [512-250-9397](tel:512-250-9397).

FLEXTRA Dependent Care Account

If you terminate employment with the City, you will have until March 15, 2019 to incur expenses and submit claims to Erisa by May 31, 2019 to receive reimbursement for funds accrued in your FLEXTRA Dependent Care Account.

Call Erisa at [512-250-9397](tel:512-250-9397) for more information on your FLEXTRA Accounts.

FLEXTRA Health Care and Dependent Care Review

1. FLEXTRA is governed by and must comply with the rules of the IRS.
2. FLEXTRA accounts do not result in tax savings for everyone. You should discuss with a tax advisor or obtain information from the IRS. Go to [irs.gov](https://www.irs.gov).
3. You may continue contributions to your FLEXTRA Health Care Account through COBRA.
4. You may only make changes to your FLEXTRA accounts within 31 days of an IRS permitted change or during Open Enrollment.
5. You may set aside up to \$108 per pay period for FLEXTRA Health Care.
6. You may set aside up to \$208 per pay period for FLEXTRA Dependent Care.
7. **USE IT OR LOSE IT.** You have until March 15, 2019 to incur expenses and until May 31, 2019 to submit claims for reimbursement from your 2018 accounts.
8. Dependents must be eligible under IRS Code, Section 125.

Group Legal Plan

ARAG offers affordable legal resources, services and representation to help employees plan for, protect against, and resolve legal issues. Visit araglegalcenter.com and enter access code **17886COA** to learn more and research legal topics. Call **800-247-4184** to speak with an ARAG Customer Care Specialist.



Receive the Following Plan Benefits

- **In-Office Legal Services:** Visit in-office with an ARAG Network Attorney who will provide document preparation and review, advice, and legal representation, including court representation.
- **Legal Hotline:** Receive unlimited legal advice from Network Attorneys. They can help you review or prepare documents, including a Standard Will.
- **Identity Theft Services:** Certified Identity Theft Case Managers will guide you through the steps of prevention and recovery.
- **Financial Wellness Hotline:** Receive guidance and education on a wide range of financial topics.
- **Online Legal Services:** Go to araglegalcenter.com for helpful legal resources and create DIY Docs.
- **Discounted Services:** For legal matters which are not covered in full, and not specifically excluded, you can still receive at least 25 percent off of the normal attorney rates.

Review the Comprehensive Plan Coverages

You can rely on a comprehensive array of legal services, many of which are **100 percent paid-in-full** when you work with a Network Attorney. Here are examples offered through the plan:

- Purchase/Sale/Refinance of Primary Residence
- Defense of Civil Damage Claims
- Consumer Protection Issues
- Criminal Matters
- Landlord/Tenant Matters
- Bankruptcy (Chapter 7 & 13)
- Postnuptial Agreement
- Real Estate Matters
- Small Claims Court
- Tax Issues/Services
- Wills and Estate Planning
- Name Change
- Credit Records Correction
- Adoption
- Child Custody (Up to 8 hours)
- Divorce
- Traffic Matters
- Debt Collection

Divorce – Contested divorce coverage is limited to 25 hours; uncontested divorce coverage is unlimited.

Locating Network Attorneys – As a member, you have access to a nationwide network of more than 12,000 experienced attorneys who can provide legal guidance and assistance. To search for an attorney near you, use the Attorney Finder feature on the website or call for assistance. If there are no Network Attorneys located within 30 miles of your home, ARAG will locate an attorney at no extra cost or loss of benefit to you.

Your Right to Convert – If you are no longer eligible for the plan (leave City employment), you have the option of purchasing a similar plan through ARAG. You have 90 days after your coverage ends to enroll in the plan.

ARAG Rates – Per Pay Period

Employee Only	\$ 5.45
Employee & Family	\$ 7.40

Employee Wellness

- HealthyConnections



Members of the City Council and City staff kick off the New Year with a healthy start. Pictured from back to front (l to r): Council Members Ellen Troxclair and Sabino "Pio" Renteria, Mayor Steve Adler, Interim City Manager Elaine Hart, Council Member Alison Alter, Human Resources Department Assistant Director Karen Haywood, Council Member Delia Garza, HRD Wellness Coordinator Sheree Bailey, Assistant City Manager Mark Washington, HRD Wellness Consultant Chris Vykukal.



EXHIBIT 3

City of Austin Wellness Program

The City of Austin considers health and wellbeing a top priority and supports employees and family members on their journey to health and happiness. HealthyConnections, the City's award-winning employee wellness program, offers a wide range of wellness activities to encourage and support a healthy lifestyle. Programs are free to employees and held at various City worksites. The program offers something for everyone, including free workout classes, onsite health coaching, and chronic disease management and prevention.

With your supervisor's approval, you may be able to attend wellness activities on work time or use flex time to make up the time later in the week.

Engaged Employees

According to claims data, employees engaged in wellness have lower average medical expenses and a higher utilization of both primary and preventive care services. Employees engaged in our wellness program also have shorter hospital stays and lower inpatient costs. These savings are beneficial for the organization and are passed on to the employee.

Find Out About Wellness

Sources for wellness information:

- Website: Visit the HealthyConnections webpage on CitySpace and click on Monthly News.
- Newsletters: Watch for featured articles in CitySpace, *CitySource Today*, and the *HR Update*, as well as program information provided in the weekly PE email.
- Annual wellness calendars are available in December from your department's Health Promotion Team.

Contact: [512-974-3284](tel:512-974-3284) and ask to speak with a Wellness Consultant or email HealthyConnections@austintexas.gov.

Department Health Promotion Teams

Each City department has a Health Promotion Team (HPT) made up of volunteers who understand the importance of wellness. A current list can be found on the HealthyConnections website on CitySpace.

Health Assessments: Earn a Day Off!

The City strives to achieve a healthy workplace for the benefit of its employees and for the sustainability of the organization. An important tool is a Health Assessment, which provides a "snapshot" of an individual's health. Identifying health risks leads to early intervention, resulting in better outcomes and less costly treatment.

Employees can earn eight hours of wellness administrative leave (WADL) for completing a health assessment. You must be enrolled in a City medical plan, and are eligible to earn the incentive once per calendar year. WADL will be recorded on timesheets eight weeks after completing the Rally Health Survey.

To Complete a Health Assessment and Earn WADL:

1. Complete a finger stick screening at a City Health Assessment to get all your health numbers such as cholesterol, glucose, and triglycerides. To register for an appointment, call [877-366-7483](tel:877-366-7483).

OR

2. Use lab results obtained through a doctor to get current health numbers.

These health numbers are then used to complete the Rally Health Survey at myuhc.com. When the survey is completed, employees will receive a Rally Health Age and recommendations for improving health and fitness. This information is available any time at myuhc.com. All personal health information is protected by HIPAA and will remain confidential. The Rally Health Survey must be completed by September 30, 2018 to earn a day off in 2018.

Healthy Rewards Wellness Incentive Program

Healthy Rewards is a financial incentive program designed to engage employees in health and wellness activities to improve overall health status. Employees can participate in a variety of activities to earn rewards (up to \$100, taxable), which are tracked on the HR Portal. Employees must complete the Rally Health Survey (before September 30) to earn Healthy Rewards.

Examples of eligible wellness activities include an annual physical/well woman visit or colonoscopy. Employees can also earn Healthy Rewards by participating in physical activity challenges, health coaching, the Stress Management Program, City Olympics, and designated health campaigns and seminars.

To earn Healthy Rewards, an employee:

- Must be enrolled in a City medical plan (temporary employees are eligible if they are enrolled in a City medical plan).
- Must be employed by the City at the time of payout in November.
- Must complete the Rally Health Survey at myuhc.com between January 1 and September 30, 2018.

Chronic Disease Programs

The City is committed to addressing the growing issue of chronic disease in the workforce. HealthyConnections offers a number of programs to help employees and dependents age 18 and older manage their conditions and improve quality of life. The programs are available to individuals enrolled in a City medical plan.

Diabetes and Prediabetes Programs

This program is offered to employees, retirees, and dependents who are diabetic or prediabetic and enrolled in a City medical plan. The program provides education on the disease, quarterly meetings with a Randalls pharmacist, and a free OneTouch glucose monitor. Those who meet program requirements, can receive free Tier 1 diabetes medication and supplies. To enroll, call the Seton Diabetes Education Center at [512-324-1891](tel:512-324-1891) (choose Option 2).



New—Real Appeal - Online Weight Loss and Diabetes Prevention

In July 2017, HealthyConnections launched a new program called Real Appeal to give employees the support they need to meet their weight loss goals and live a healthy lifestyle.

Real Appeal is an online weight loss program that can help you take small steps that lead to big results. Employees and their dependents enrolled in a City medical plan are eligible to join (must be 18 years or older and have a BMI of 23 or higher). Participants can use their tablet, personal computer or mobile device. Everyone who joins the program is connected with a personal Transformation Coach for step-by-step guidance for an entire year. You will also receive a success kit that includes workout DVDs and gear, delicious recipes, healthy kitchen cooking tools and more to help you on your weight loss journey. This success kit is provided at no cost to you.

To enroll, visit the HealthyConnections page on CitySpace, HealthyConnections.realappeal.com or call [844-344-REAL](tel:844-344-REAL) (7325).

Stress Management Program

Stress is one of the top three health risks that City employees are dealing with and this program offers tips, resources, and support on how to manage stress. The program is a series of webinars (hosted by Deer Oaks, the City's EAP provider) that can be viewed from your desk. The webinars cover the impact of stress on your health and provide real world tips to manage and reduce stress in your daily life.

Complete the webinar series and take the survey to earn \$25 in Healthy Rewards! Links to webinars are available on the HealthyConnections website.

Tobacco Premium

Employees and spouses currently using tobacco products, including but not limited to cigarettes, cigars, chewing tobacco, snuff, pipes, snus, shisha and electronic cigarettes will be charged a tobacco premium.

Employees and Spouses enrolled in a City medical plan who use tobacco will each pay \$12.50 per pay period. To stop the tobacco premium, employees and spouses using tobacco must complete the Tobacco Cessation 101 class. Employees can register for the Tobacco Cessation class on TRAIN/HealthyConnections, spouses can view the schedule at austintexas.gov/benefits.

Tobacco Cessation 101

Helps participants live tobacco free. Classes designed for all forms of tobacco use are available at worksites across the City. To successfully complete Tobacco Cessation 101, the individual must complete BOTH Parts 1 and 2.

Individuals who complete the class are eligible to receive cessation medication (including over-the-counter products) free for nine months with a doctor's prescription. Employees, spouses and eligible dependents (age 18 years and older) who are enrolled in a City medical plan are eligible for this benefit. Check the HealthyConnections website, or look on TRAIN for the schedule of classes.

PE Program

HealthyConnections offers free exercise classes at a variety of worksites and other locations to help employees improve their fitness and overall health. The PE program has options for all fitness levels and encourages participants to go at their own pace.

The program is offered year round and includes many types of exercise classes. Examples include yoga, strength training, spin classes, Zumba, boot camps, golf, and basketball. There are also several Walk and Run/Walk options including an advanced running class (PE2).



PE Anytime allows employees to participate in PE using the Endomondo app or a Fitbit fitness tracker. This option offers flexibility for individuals with challenging schedules or those wanting to exercise on their own. Classes are offered on a quarterly basis, and registration is on the HR Portal. Employees (excluding temporary employees) who attend 10 out of 12 workouts and complete the Rally Health Survey can earn four hours of WADL. A total of eight hours of WADL can be earned in quarters one through three. During quarter four, PE shirts will be given to employees who meet attendance requirements.

Financial Wellness

Have you lost any sleep or felt anxious about your financial situation? If the answer is “yes”, take charge of your personal finances by attending a HealthyConnections Financial Wellness seminar. A variety of seminars led by financial professionals will be offered year-round with something for everyone. You can learn what a budget is, how to reduce your risk of identity theft, how to get a credit report, steps to take to get out of debt and much more! Seminars are eligible for \$25 through Healthy Rewards and will be posted on Train/HealthyConnections.

Health & Lifestyle Expos

HealthyConnections sponsors Citywide Health and Lifestyle Expos at Palmer Events Center. Expos offer Health Assessment screenings and an opportunity for employees, retirees, and family members to explore a number of booths focusing on health and lifestyle.

Flu Shots

This benefit is free to employees and is offered in the fall at City worksites. Dependents age 18 and older are eligible if accompanied by an adult employee.

Onsite Health Coach/Registered Dietitian

The City's onsite UHC Health Coach supports wellness in the workplace. The coach meets with employees one-on-one at City worksites to address health issues such as high blood pressure or diabetes. The coach can provide assistance with setting appropriate health and fitness goals, identifying barriers to success, and maintaining motivation along the way. Examples of issues she can provide assistance with include weight reduction, improving nutrition, and managing stress.

Visit the HealthyConnections website for Frequently Asked Questions about health coaching, including how to set up an appointment. Employees who participate in this program are eligible for Healthy Rewards.



Tracy Beeman, UHC Health Coach.

Maternity Support

The Maternity Support Program offered by HealthyConnections and UnitedHealthcare is designed to help pregnant women get the support and information they need to have a healthy pregnancy. The program offers personalized maternity care including access to a dedicated maternity nurse, educational materials and a Healthy Pregnancy App. All pregnant women enrolled in a City medical plan are eligible. Complete the program and you will receive a \$100 Target gift card (taxable) and a HealthyConnections onesie. Spouses and domestic partners enrolled in a City medical plan are eligible to participate. Call UnitedHealthcare to enroll at [877-201-5328](tel:877-201-5328).

For breastfeeding support, contact Mom's Place at [512-972-6700](tel:512-972-6700) or visit their website at momsplace.org.

City Olympics

HealthyConnections partners with the Parks and Recreation Department to host the annual City Olympics for employees and their families at Krieg Sports Complex. The event includes a sports tournament for employees, a mini-health expo, brisket cook-off competition, golf tournament, obstacle course, 5K run/walk, and a kids 1k and activities. Employees who participate in this event are eligible for Healthy Rewards.

Healthy Connections Sponsors Activities

HealthyConnections sponsors activities based on national awareness campaigns and challenges are designed to educate employees about a healthy lifestyle. At least 50 percent of all medical claims are preventable with healthy eating, regular exercise, and quitting tobacco. Most activities are eligible for Healthy Rewards.

City health awareness campaigns for 2018 are listed below.

- February – Heart Health Month – Wear Red Day Heart Walk
- April – Million Mile Month / Financial Wellness Month
- June – Men's Health Month
- September/October – Women's Health Month – Mammo Mixers
- November/December – Maintain No Gain Challenge



Donna Sundstrom, Assistant Director, Community Services and Chris Crookham, Manager Public Health Emergency Preparedness participate in the City's Farm to Work Program, Austin Public Health Department.

Farm to Work

In partnership with the Sustainable Food Center of Austin, this program offers weekly delivery of preordered baskets containing fresh, locally-grown produce at City worksites. To see what worksites receive delivery and to place an order, visit the HealthyConnections website.



Chair Massage

Several registered massage therapists offer a 15-minute head, neck, and shoulder massage at the workplace for \$15. Check with an HPT member in your department for information about availability in your department.

Five Wishes Program

This easy-to-complete living will addresses your medical, personal, emotional, and spiritual needs if you become seriously ill. The document is available for free by contacting your department's HPT member or the Employee Benefits Division.



City employees at 2016 Health Expo. Pictured from left to right: Ivonne Marquez, Rosario Wallace, Teresa Hernandez, Nicole Jackson, Carla Brooks.

Additional Benefits

- Employee Assistance Program
- Employee Communications
- Tuition Reimbursement
- Service Incentive Pay
- Childcare Programs
- Commuter Program
- Leave
- Veterans Services Office
- Workers' Compensation
- Direct Deposit
- Velocity Credit Union
- Employee Retirement Systems
- Deferred Compensation
- Social Security



Park Ranger Albert Navarro, Austin Parks and Recreation Department.

Employee Assistance Program (EAP)

Deer Oaks EAP Services, LLC (Deer Oaks) provides short-term confidential counseling to help you and members of your household deal with life's stresses. The EAP provides resources to help you address a wide variety of issues. Services are available 24 hours a day, seven days a week at no cost to you.



The Deer Oaks counselors understand the constant interplay between problems on and off-the-job. They understand almost any issue can be dealt with if it is identified and treated early. Typically, employees attend fewer than five counseling and problem resolution sessions. Deer Oaks can help you with:

- Marital/family problems
- Domestic violence
- Psychological issues
- Crisis management
- Legal problems
- Anger management
- Work/vocation issues
- Adolescence
- Substance abuse/dependency

Real Lives, Real Help

A 23-year-old mother of two children whose marriage was falling apart because she and her husband felt their problems were just too big to overcome. Like many young couples, they had financial issues and just didn't feel the same about each other after having two children in three years. After several sessions with an EAP counselor they found ways to work through their problems together. They also learned the importance of making time for themselves – such as a date night without the kids.

A 40-year-old utility worker whose 14-year-old daughter began having trouble with grades and started spending her time at home locked in her room. He and his wife were concerned so they scheduled an appointment with a counselor for a family session. They learned their daughter's behavior was not uncommon for a child her age.

Work/Life Services

Deer Oaks counselors can also assist with work/life issues such as:

- Advantage Financial Assist – Unlimited telephone consultations
- ID Recovery – Free 30 minute telephone consultations
- Travel information/referral
- Adoption education/coordination
- Advantage Legal Assist – Free 30 minute telephone consultations
- Child/elder care referral
- Consumer product information
- Academic services

Take the High Road Program

If you find yourself in a situation where you are unable to safely drive your car home, remember Take the High Road. This service is available from the EAP. Calling a taxi service, Uber or Lyft is often the best thing to do in these situations.

This benefit is free and confidential to you and all members of your household. This service is available once per year with a maximum reimbursement of \$45.00 (excludes tips). To receive reimbursement, you will need to submit a receipt from the cab company and call the Deer Oaks Helpline for instructions on how to submit your receipt. It may take up to 45 days for reimbursement. Some restrictions may apply.

No one in the City will know you used the Take the High Road Program; it is completely confidential.

For more information, call Deer Oaks at [866-228-2542](tel:866-228-2542) or go to deeroakseap.com.

If your EAP counselor makes a referral for additional assistance, you are responsible for the cost. However, when making the referral, your counselor will consider your resources, including applicable medical coverage.

Employee Communications

The Human Resources Department publishes newsletters to educate and inform employees about human resources-related issues. It is important for employees to take time to review these publications to avoid missing important information.

- *The HR Update* is published quarterly for employees.
- *The HR Advisor* is published periodically for supervisors and managers.
- *CitySource Today* is an online weekly newsletter published by the Communications and Public Information Office. It focuses on the people and projects that define the City of Austin workforce and provides valuable information about City benefits.

Tuition Reimbursement Program

The City encourages employees to improve their job skills and career potential. To help employees reach their individual goals, the City provides Tuition Reimbursement for employees who meet eligibility requirements. The Tuition Reimbursement Program supports technical and academic courses at accredited schools and institutions.

To obtain information about eligibility or to find out how to apply, call Organization Development of the Human Resources Department at [512-530-8201](tel:512-530-8201), email tuitionreimbursement@austintexas.gov, or go to [cityspace](http://cityspace.austintexas.gov) and click on **HR Forms**.

Service Incentive Pay

Regular employees who have completed five years of continuous service by December 1 of the year they are to receive pay shall receive service incentive pay.

The formula for employees with **five** and **up to seven years** is: Completed years of uninterrupted service (up to seven years) x .0025 x hourly rate x scheduled work week x 52 weeks per year or \$500, whichever is less.

The formula for employees with **seven** and **up to 15 years** is: Completed years of uninterrupted service (up to 15 years) x .0025 x hourly rate x scheduled work week x 52 weeks per year or \$1,000, whichever is less.

The formula for employees with **15** or **more years** is: Completed years of uninterrupted service x .0025 x hourly rate x scheduled work week x 52 weeks per year or \$1,500, whichever is less.

When calculating your benefit, use your hourly rate, scheduled work week, and length of service as of the current year.

By law, this benefit is subject to withholding tax. Taxes are withheld according to your W-4 Form. The benefit payment is included in the first paycheck issued in December.

If there is a conflict between the City's Personnel Policies on Service Incentive Pay and the information provided in this section of the Guide, the Personnel Policies govern. For more information, call the Compensation Division at [512-974-3292](tel:512-974-3292).

Employee Discount Page – PerksConnect

The City of Austin has teamed up with PerksConnect to provide a new discount website, effective January 1, 2018! You can save at thousands of retailers in your neighborhood and around the country. Savings at Wyndham Hotels, Dell, Apple, Costco, Restaurant.com, AMC discount tickets and gift cards, Budget/Enterprise/Avis Car Rentals and TrueCar are just a small sampling of the partners that are offering you everyday savings. Whether it is local show & save, discounted gift cards or national deals, savings are just a click away. Activation is simple and FREE. Simply go to coadiscounthome.com on your computer, tablet or phone.



Other Benefits

The City offers other benefits that employees may access, including:

- Bilingual Pay, if eligible. Call the Compensation Division at [512-974-3292](tel:512-974-3292).
- Tax Preparation Assistance, if eligible. Go to foundcom.org.
- Botanical Gardens. Free parking permits for Zilker Park are available at the Human Resources and Parks Departments.

EXHIBIT 3

- Free Entry to City parks, including Deep Eddy and Barton Springs pools. The free entry does not include Zilker
- Botanical Gardens. Free parking permits for Zilker Park are available at the Human Resources and Parks Departments.

Childcare Programs

The programs described below are offered to full-time, regular employees. For more information, call the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Income-Eligible Childcare Assistance

City employees with children under the age of 13 may be eligible for financial assistance of up to \$50 per week, per child for all-day, week-long care. Eligibility is based on family size and income. For example, a family of four with a gross income of less than \$72,698 a year qualifies for assistance. Other requirements: Single parents must have child support orders in place. In a two-parent home, both parents must work at least 30 hours a week. Applications for the program are accepted only during Open Enrollment, within 31 days of being hired, or for an eligible change of childcare status.

Youth Camp Scholarship

This program is available to *all* employees with children ages 5 through 12, regardless of household size or family income. The program provides scholarships worth up to \$50 a week at participating Parks and Recreation Department (PARC) Recreation Centers during spring and summer breaks. Employees must apply by the established deadlines each year in order to be placed on the PARC eligibility list. Applications are available online at CitySpace, at PARC facilities, and from your departmental Human Resources representative.

Family Size	Family Income
1	\$44,230
2	\$59,366
3	\$62,710
4	\$72,698
5	\$81,098
6	\$89,498

Childcare Referral

City employees can receive free assistance researching and locating potential childcare providers by contacting the Childcare Coordinator in the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Commuter Program

As part of the Clean Air Initiative, the City has an agreement with Capital Metro for the following benefits:

Bus and Rail Services

City employees can ride any Capital Metro bus or train for free using a transit pass. These passes are available from your department's HR representative. Employees must commit to riding the bus or train at least one day a week. Visit capmetro.org and use the online Trip Planner to learn the easiest and fastest way to commute.

RideShare Vanpools

City employees can also take advantage of Capital Metro's vanpool services. Call the Rideshare office at [512-477-RIDE \(7433\)](tel:512-477-RIDE) and get matched to a vanpool operating between your home and work location. Employees also have the option of forming their own vanpool.



Austin Skyline.

MetroAccess – Paratransit Services

The MetroAccess program serves employees with disabilities by providing shared-ride, door-to-door public transportation service for free. For more information, call Capital Metro at [512-474-1200](tel:512-474-1200).

For more information on the Commuter Program, call the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Leave

The following information summarizes current leave policies. The benefits described do not imply a guarantee of employment or a continuation of the leave program. Leave policies are subject to change.

Refer to the City's Personnel Policies for more information. If there is a conflict between the information provided in this section of the Guide and the Personnel Policies, the Personnel Policies govern.

If you have any questions about leave, call the Human Resources Department at [512-974-3400](tel:512-974-3400).

Paid Leave

Paid leave benefits are available for a number of approved reasons.

Examples of paid leave benefits include:

- Personal holidays
- Official holidays
- Sick leave
- Personal (vacation) leave

The paid leave benefits described in this section apply to you if you are a full-time employee in a regular budgeted position. As a part-time employee, you earn leave benefits on a prorated basis.



Librarian III Allison Stegar, Spicewood Springs Branch, Austin Public Libraries.

Personal Holidays

Upon completion of your six-month probationary period, you are eligible to take two personal holidays each year. If you do not use your personal holidays in the year earned, they cannot be carried over into the following year.

Official Holidays

City holidays for 2018 are listed below. You may be required to work on an official holiday. If you are scheduled to work, you will be compensated for the holiday according to Personnel Policies.

Holiday	Date Observed
New Years Day	January 1
Martin Luther King Day	January 15
Presidents Day	February 19
Memorial Day	May 28
Independence Day	July 4
Labor Day	September 3
Veterans Day	November 12
Thanksgiving Day	November 22
Thanksgiving Friday	November 23
Christmas Eve	December 25
Christmas Day	December 26

EXHIBIT 3

Sick Leave

You earn four hours of sick leave per pay period, based on 24 pay periods annually, as a full-time, regular employee working 40 hours per week. If you are scheduled to work other than a 40-hour work week, you accrue sick leave at a different rate. Civil service employees also accrue sick leave at a different rate.

Sick leave must be earned before it can be used. If you do not use your sick leave, you may carry unused hours forward into the next year. Sick leave may be accrued on an unlimited basis. If you are on sick leave for five work days or more due to your own health condition, a return to work release form must be completed by your health care provider and given to your supervisor before you will be allowed to return to work.

Personal (Vacation) Leave

You may use personal leave for any reason. The amount that you earn depends on how long you have worked continuously for the City and the number of hours you work each week, based on 24 pay periods annually.

The number of hours you earn per pay period as a full-time regular employee working 40 hours per week is listed in the chart to the right. If you are scheduled to work other than a 40-hour work week, you accrue personal leave at a different rate. Civil service employees also accrue personal leave at a different rate.

Years Worked	Hours You Earn
Less than 5	4.34
5 but less than 10	5.34
10 but less than 15	6.00
15 but less than 20	6.67
20 or more	7.67

You should keep in mind a few other things about personal leave:

- You may request personal leave at any time once you have completed your probationary period.
- If you become ill while you are on personal leave, you may request that your personal leave be temporarily stopped and your absence be charged to sick leave.
- The maximum amount of personal leave you may accrue is 400 hours.
- Payment of unused personal leave upon resignation or retirement is limited to 240 hours.
- You may use personal leave while on family or medical leave.

Family and Medical Leave (FMLA)

The Family Medical Leave Act (FMLA) entitles eligible employees to take unpaid, job-protected leave for specific qualifying family, medical, or military support needs with continuation of group health insurance coverage under the same terms and conditions as if the Employee had not taken leave. When requested and approved, appropriate paid and unpaid leave can be used and will count toward the family and medical leave entitlement.

You are eligible for unpaid, job-protected leave under the FMLA if you have been employed with the City for at least 12 months and worked 1,250 hours during the 12 months prior to the commencement of the leave. The 12 months of employment need not be consecutive. For employees who experience a break in service in fulfillment of the Uniformed Services Employment and Reemployment Rights Act (USERRA), the months employed and the hours that were actually worked for the City should be combined with the months and hours that would have been worked during the 12 months prior to the start of the leave requested, had it not been for the military leave.

Eligible employees are entitled to job-protected, unpaid leave in a calendar year, based on the Employee's normal workweek, for one or more of the following reasons:

- The birth of a son or daughter and to care for the newborn child.
- The placement with the employee of a son or daughter for adoption or foster care.
- To care for the employee's husband, wife, domestic partner, son, daughter, or parent with a serious health condition.
- A serious health condition that makes the employee unable to perform one or more essential functions of their job.

EXHIBIT 3

FMLA (Continued)

Family leave must be taken within 12 months after the birth of a child or the placement of a child for adoption or foster care. FMLA leave may be used before the actual placement or adoption if the absence is required for the placement or foster. Intermittent use of family leave requires approval from the Department Director.

An employee should notify the City at least 30 days prior to a planned medical treatment that requires FMLA leave. If advanced notification is not practical or the reason is unplanned, you must give notice within two business days. Your Department Director may require you to provide satisfactory proof of the proper use of medical leave. If satisfactory proof is not provided, your request for FMLA may be denied.

If you do not wish to continue any or all of your benefits while on family or medical leave, you must contact the Employee Benefits Division and schedule an appointment to complete a Benefits Enrollment Form to drop coverage. If you choose to continue benefits and fail to return from FMLA leave, you may be required to reimburse the City for the City's portion of the benefits premiums paid on your or your dependent's behalf during the unpaid leave.

Parental Leave

Employees in a regularly budgeted position who qualify for FMLA may receive up to 240 hours of paid leave (prorated based on budgeted workweek) for the birth and care of a child, or placement of a child for adoption or foster care during the FMLA period. Documentation for birth, adoption, or foster care must be provided to the FMLA Coordinator before an employee can code the time on the timesheet. Temporary employees and employees who are subject to collective bargaining or meet and confer agreements are not eligible.

Hours Awarded for Parental Leave or Leave Bank	
Budgeted Work Week	Paid Leave Hours
40	240
30 - 39	180
20 - 29	120
Less than 20	60

Leave Bank

The Leave Bank is available for employees who qualify for FMLA and who do not have enough accrued leave to get them through an illness, accident or unexpected FMLA event. Through a donation of accrued sick leave, vacation leave or both, you can become a member of the Leave Bank and can apply for hours based on your budgeted workweek. Membership in the Leave Bank is annual and must be renewed each year during the Benefits Open Enrollment period by donating the required number of hours. There is no limit to the number of hours you can donate to become a member during the enrollment period. A non-member who seeks leave from the Leave Bank, due to an unforeseen FMLA-qualifying event, may enroll to become a member at any time. Temporary employees and employees who are subject to collective bargaining or meet and confer agreements are not eligible.

Employees on Leave of Absence

As a City employee, you may be granted a leave of absence under certain circumstances. All requests for leave of absence must be approved by your Department Director, and requests for leave of more than 30 days must be approved by the City Manager. The maximum total time for which a leave of absence may be granted is one year.

If you are on leave for five or more consecutive work days due to your own health condition, a return to work release form must be completed by your health care provider and given to your supervisor before you will be allowed to return to work.

If you are participating in the Deferred Compensation loan program and you are on an unpaid leave of absence, automatic deductions are not possible. You must contact the Deferred Compensation office to prevent default on your loan.

If you do not wish to continue any or all of your benefits for yourself or your dependents, you must contact the Employee Benefits Division and schedule an appointment to complete a Benefits Enrollment Form to drop coverage. Once you return from leave you must make an appointment to reinstate benefits dropped during a leave of absence. If you choose to continue benefits and fail to return from family or medical leave, you may be required to reimburse the City for the City's portion of the benefits premiums paid on your or your dependent's behalf during the unpaid leave.

If you choose to continue your benefits, you will be responsible for the full cost of premiums, including the City's contribution. If you are on an unpaid leave of absence, automatic deductions are not possible. To make arrangements to pay your benefits premiums, contact the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Military Family Leave

Military Caregiver Leave (also known as Covered Service Member Leave)

Eligible employees who are family members of covered service members can take up to 26 work weeks of leave in a “single 12-month period” to care for a covered service member with a serious illness or injury incurred in the line of duty while on active duty. This 26-work-week entitlement is a special provision that extends FMLA job-protected leave beyond the normal 12 weeks of FMLA leave.

Qualifying Exigency Leave

This leave helps families of members of the National Guard, Reserve, and active duty soldiers manage their affairs while the member is on active duty in support of a contingency operation.

Veterans Services Office – Five Star Employer

The City of Austin is a Five Star Employer, with a Veterans Services Office. This office supports veterans as well as National Guard and Reservists who work for the City. This office also provides assistance to families of military service members, especially during deployments.

The City’s program has three key areas:

- **Veterans Program Manager** – The City provides training to departments about their responsibilities under USERRA, the Uniformed Services Employment and Reemployment Rights Act. This Federal legislation addresses a wide range of issues such as hiring, leave, and benefits.
- **Ombudsman Services** – The program offers mediation services as a link between the employee, the employee’s family, and the department. The confidential services include listening to concerns and complaints, evaluating options, and offering solutions. The program strives to help all service members receive fair and equitable treatment from City, State, and Federal entities.



Army Veteran Lek Mataeo, Construction Inspector, Public Works Department.

- **Partnerships with Other Groups** – The City’s Veterans Services Office partners with a variety of organizations in the community.

City benefits also include the following:

- 15 days of paid military leave per fiscal year.
- Military Pay Supplement Program.
- Veteran’s preference in the City hiring process.
- Service credit toward City retirement for military service.
- Continuation of benefits through Family and Medical Leave (FMLA).

For more information, contact the Veterans Program Manager and Military Ombudsman at [512-974-3459](tel:512-974-3459).

Workers' Compensation

Workers' Compensation is a program for managing medical treatment and loss of wages if you are injured on-the-job. The City provides this coverage for compensable injuries and illnesses according to State law. Workers' Compensation benefits are provided to you at no cost.

If you are injured on-the-job, you may be eligible for payment of:

- All reasonable and necessary medical treatment.
- 70 percent or 75 percent of your average weekly wage, depending on your hourly rate.

If you are injured on-the-job, the Departmental Workers' Compensation Representative (DWCR) in your department who is assigned to your case can answer questions about your Workers' Compensation benefits. If you are injured on-the-job, report your claim immediately to your supervisor. Ask your doctor to complete and sign the proper work status form and return it to your DWCR.

For more information, call Risk Management in Human Resources at [512-974-3400](tel:512-974-3400) or your DWCR.



Frank Saldana, Administrative Specialist, Office of the City Clerk.

Direct Deposit

If you are currently receiving a printed paycheck, you should consider switching to direct deposit. The City of Austin wires the money to your account on the scheduled pay day.

It's safe, quick, and easy. All you have to do is complete a City of Austin Direct Deposit Authorization Agreement on the Financial Services Department webpage. Go to payroll.austintexas.gov.

Velocity Credit Union

As an employee of the City, you are eligible for membership with Velocity Credit Union. Once you join Velocity, anyone in your family is eligible to join. Some of the services available to credit union members include:

- Totally Free Checking.
- Free app with mobile deposit.
- Debit and ATM cards.
- Credit cards (low fixed rates, rewards option, no annual fee).
- Velocity Loans for just about anything.
- More than 300 free ATMs in Austin and the surrounding area.
- Youth Club accounts.
- Safe deposit boxes.
- Investment options (certificates, IRAs, money market, etc.).
- Free online banking, bill pay, and eStatements.
- Payroll deductions for savings and loan payments.
- Financial planning.

For more information, go to velocitycu.com.

Employee Retirement Systems

The City values you as an employee. As part of your compensation, the City provides retirement benefits. Over the years, the City has made a significant investment in providing retirement benefits to employees, so it is important that you understand how your retirement benefits work.

Several programs are available to help you prepare for your retirement. These programs include mandatory participation in one of three separate retirement systems, an optional Deferred Compensation Program, and City contributions to Social Security on your behalf.

Employees are eligible for retirement when they meet one of the following age and service requirements. For more information about your defined benefit retirement plan, contact your retirement system.

City of Austin

Employees' Retirement System (COAERS)

Call [512-458-2551](tel:512-458-2551), or go to coaers.org.

Group A (Tier 1)

- 23 years of creditable service at any age
- 20 years of creditable service at age 55
- Any number of years creditable service at age 62

Group B (Tier 2 – *Employees hired on or after January 1, 2012*)

Normal Retirement

- 30 years creditable service at age 62
- 5 years of creditable service at age 65

Early Retirement

- 10 years of creditable service at age 55
- Reduced annuity

Austin Fire Fighters Relief and Retirement Fund (AFRS)

Call [512-454-9567](tel:512-454-9567), or go to afrs.org.

Normal Retirement

- Age 50 or 25 years of service

Early Retirement

- 10 years of service at age 45
- 20 years of service at any age

City of Austin

Police Retirement System (PRS)

Call [512-416-7672](tel:512-416-7672), or go to ausprs.org.

Normal Retirement

- 23 years creditable service at any age (excluding prior military service)
- 20 years creditable service at age 55 (excluding prior military service)
- Any number of years creditable service at age 62

Early Retirement

- None

Deferred Compensation Plan (457 Plan)

The Deferred Compensation Plan is a retirement savings plan that allows eligible employees to supplement retirement/pension benefits by saving and investing before- or after-tax dollars through voluntary salary deferral. Empower Retirement is the plan administrator.

You may enroll in the Deferred Compensation Plan or make changes in your deferrals any time during the year. You may also choose from a diverse array of investment options. If you contribute pre-tax dollars, your account is tax deferred until you withdraw money, usually at retirement. However, you may also contribute post-tax dollars (pay income tax at the time your contributions are made) and your account is tax-free (subject to qualifying conditions) when you withdraw your money. To review and manage your account, call [866-613-6189](tel:866-613-6189), or go to dcaustin.com.

Social Security

Social Security pays benefits once you meet certain eligibility requirements when you retire, become disabled, or die. Social Security taxes are paid by you and the City. At the current time, this amount is 6.2 percent for Old Age, Survivors and Disability Insurance (OASDI) and 1.45 percent for Medicare Tax. However, these amounts are subject to any changes made by the United States Congress.

Contributions by firefighters to Social Security may vary, and in some cases, may not be made at all. If you are a firefighter, contact the Austin Fire Fighters Relief and Retirement Fund for more information about your Social Security benefits.

Questions about Social Security benefits may be directed to the Social Security Administration at [800-772-1213](tel:800-772-1213), or go to socialsecurity.gov.

Important Benefits Information

- Summary of Benefits and Coverage and Uniform Glossary of Terms
- ADA Compliance
- Governing Plan
- HIPAA
- Women's Health and Cancer Rights Act
- Patient Protection and Affordable Care Act
- COBRA
- Continuation of Coverage for Domestic Partners
- USERRA Continuation of Coverage
- Surviving Dependent Coverage
- Surviving Family/Work-Related Coverage
- Your Prescription Drug Coverage and Medicare
- Health Insurance Marketplace

Summary of Benefits and Coverage (SBC) and Uniform Glossary of Terms

Under the law, insurance companies and group health plans must provide consumers with a concise document detailing, in plain language, simple and consistent information about health plan benefits and coverage. This summary will help consumers better understand the coverage they have and allow them to easily compare different coverage options. It summarizes the key features of the plan and coverage limitations and exceptions. For a copy of the SBC of the City's medical plans, go to austintexas.gov/benefits, or call 512-974-3284.

Under the Patient Protection and Affordable Care Act (Health Reform), consumers will also have a resource to help them understand some of the most common but confusing jargon used in health insurance. Employees can access the *Glossary of Health Coverage and Medical Terms* at austintexas.gov/benefits, or call 512-974-3284 for a copy.

ADA Compliance

The City is committed to complying with the Americans with Disabilities Act (ADA). Reasonable accommodation, including equal access to communications, will be provided upon request. For more information, call the Human Resources Department at 512-974-3284, use the Relay Texas TTY number 800-735-2989 for assistance, or visit the website at austintexas.gov/ada.

Governing Plan

Your rights are governed by each plan instrument (which may be a plan document, evidence of coverage, certificate of coverage or contract), and not by the information in this Guide. If there is a conflict between the provisions of the plan you selected and this Guide, the terms of the plan govern. City of Austin employees have access to benefits approved by the City Council each year as part of the budget process. The benefits and services offered by the City may be changed or terminated at any time. These benefits are not a guarantee of your employment with the City.

The Health Insurance Portability & Accountability Act of 1996 (HIPAA)

This act imposes the following restrictions on group health plans:

Limitations on pre-existing exclusion periods. Pre-existing conditions can only apply to conditions for which medical advice, diagnosis, care, or treatment was recommended or received during a period beginning six months prior to an individual's enrollment date, and any pre-existing condition exclusion is not permitted to extend for more than 12 months after the enrollment date. Further, a pre-existing condition exclusion period may be reduced by any creditable previous coverage the individual may have had.

Special enrollment. Group health plans must allow certain individuals to enroll upon the occurrence of certain events, including new dependents and loss of other coverage. Loss of coverage includes:

- Termination of employer contributions toward other coverage.
- Moving out of an HMO service area.
- Ceasing to be a "dependent," as defined by the other plan.
- Loss of coverage to a class of similarly situated individuals under the other plan (i.e., part-time employees).

Additionally, individuals entitled to special enrollment must be allowed to enroll in all available benefit package options and to switch to another option if he or she has a spouse or dependent with special enrollment rights.

Prohibitions against discriminating against individual participants and beneficiaries based on health status: Plans may not establish rules for eligibility of any individual to enroll under the terms of the plan based on certain health status-related factors, including health status, medical condition, claims experience, receipt of health care, medical history, genetic information, evidence of insurability, or disability.

Standards relating to benefits for mothers and newborns: Plans must provide for a 48-hour minimum stay for vaginal childbirth, and a 96-hour minimum stay for cesarean childbirth, unless the mother or medical provider shortens this period. No inducements or penalties can be used with the mother or medical provider to circumvent these rules.

EXHIBIT 3

Parity in the application of certain limits to mental health benefits: Plans must apply the same annual and lifetime limits (i.e., dollar amounts) that apply to other medical benefits to benefits for mental health. If this requirement results in a 1 percent or more increase in plan costs or premiums, this rule does not apply.

City of Austin Policy on HIPAA

HIPAA gives the City, as the plan sponsor of a non-federal governmental plan, the right to exempt the plan in whole or in part from the requirements described above. The City has decided to formally implement all of these requirements. The effect of this decision as it applies to each of the above requirements is as follows:

- The Plan does not currently have a pre-existing condition limitation and is in compliance.
- The Plan will provide special enrollment periods.
- The Plan will comply with the non-discrimination rules.
- The Plan will comply with the standards for benefits for mothers and newborn children.
- The Plan will comply with the rules on mental health benefits.

The HIPAA Privacy Rules for Health Information were established to provide comprehensive federal protection concerning the privacy of health information. The Privacy Rules generally require the City to take reasonable steps to limit the use, disclosure, and requests for Protected Health Information to the minimum necessary to accomplish the intended purpose. The City is committed to implementing the Privacy Rules.

The Women's Health and Cancer Rights Act of 1998 was enacted on October 21, 1998. It provides certain protections for breast cancer patients who elect breast reconstruction in connection with a mastectomy. Specifically, the act requires that health plans cover post-mastectomy reconstructive breast surgery if they provide medical and surgical coverage for mastectomies. Coverage must be provided for:

- Reconstruction of the breast on which the mastectomy has been performed.
- Surgery and reconstruction of the other breast to produce a symmetrical appearance.
- Prostheses and physical complications of all stages of mastectomy, including lymph edemas.
- Secondary consultation, whether such consultation is based on a positive or negative initial diagnosis.

The benefits required under the **Women's Health and Cancer Rights Act of 1998** must be provided in a manner determined in consultation with the attending physician and the patient. These benefits are subject to the health plan's regular copays and deductibles.

Patient Protection and Affordable Care Act

As part of the Patient Protection and Affordable Care Act (Health Reform) effective January 2020, medical plans which exceed a threshold level established by the federal government will have to pay a 40 percent excise tax. The City of Austin is committed to designing a medical plan that is below the threshold level. However, if the threshold is reached, the cost of the excise tax will be passed on to employees and retirees.

COBRA

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), as amended, is a federal law that requires employers to offer qualified beneficiaries the opportunity to continue medical coverage, vision coverage, dental coverage, or participation in the FLEXTRA Health Care Account at their own cost in the case of certain qualifying events. Continuation of your life insurance, short term disability, long term disability, FLEXTRA Dependent Care Account, and group legal plan is not available under COBRA.

COBRA Notice Requirements. Each employee or qualified beneficiary is required to notify the Employee Benefits Division of the Human Resources Department within 60 days of a divorce, legal separation, a child no longer meeting the definition of dependent, or entitlement to Medicare benefits. Erisa, the City's COBRA administrator, will then notify all qualified beneficiaries of their rights to enroll in COBRA coverage. Notice to a qualified beneficiary who is the spouse or former spouse of the covered employee is considered proper notification to all other qualified beneficiaries residing with the spouse or former spouse at the time the notification is made.

Continuation of Coverage for Domestic Partners

The City offers covered individuals the opportunity to continue medical coverage, vision coverage, and dental coverage at their own cost in the case of certain qualifying events. Continuation of life insurance is not available under Continuation of Coverage for Domestic Partners.

Each employee or covered individual is required to notify the Employee Benefits Division of the Human Resources Department within 31 days of dissolution of the Domestic Partnership, a child no longer meeting the definition of dependent, or entitlement to Medicare benefits. Erisa, the City's administrator, will then notify all covered individuals of their rights to enroll in Continuation of Coverage for Domestic Partners coverage. Notice to a covered individual who is the Domestic Partner or former Domestic Partner of the covered employee is considered proper notification to all other covered individuals residing with the Domestic Partner or former Domestic Partner at the time the notification is made.

USERRA Continuation of Coverage

The Uniformed Services Employment and Reemployment Rights Act (USERRA) provides that if you are required to be absent from work for a period of time due to voluntary or involuntary military service or training, you have certain reemployment and medical benefits continuation rights during your absence. You and your family members have the opportunity to continue your benefits from the date coverage otherwise would end, provided you pay the premium. However, for absences of less than 31 days, you may continue benefits while paying only your usual share of the cost. When you return to work, no exclusions or waiting periods will apply.

Surviving Dependent Coverage

Your dependent may be eligible for Surviving Dependent medical, dental, and vision coverage only if you meet one of the following requirements and your dependent completes a Surviving Dependent Benefits Enrollment Form within 31 days from the date of your death:

- You are a City retiree under the City of Austin Employees' Retirement System, Austin Fire Fighters Relief and Retirement Fund, or City of Austin Police Retirement System.
- You are an active City employee who is eligible to retire with the City but chose to continue to work for the City.
- You are a City retiree who has returned to active employment with the City.

If eligible, your dependent will be able to continue his or her coverage through the City after your death, provided your dependent was enrolled in a City-sponsored plan at the time of your death. The coverage offered is the same coverage offered to City retirees.

Surviving Family/Work-Related Coverage

If you are killed in the line of duty (your accident must be considered compensable under the City's Workers' Compensation program) while working for the City, your dependents who are enrolled in a City-sponsored medical, dental, or vision plan at the time of your death are allowed to continue their coverage, if they complete a Surviving Family Benefits Enrollment Form and pay the premium within 90 days from the date of your death. The City will continue to subsidize the premium.

Surviving Family/Work-Related Coverage is not available to active employees who are also City retirees who have returned to work for the City and have declined active employee benefits. The City will notify your surviving dependents of their eligibility for Surviving Family/Work-Related Coverage.

For more information or to receive a Surviving Family/Work-Related Benefits Guide, contact the Employee Benefits Division at [512-974-3284](tel:512-974-3284).

Your Prescription Drug Coverage and Medicare

Beneficiary Creditable Coverage Disclosure Notice

This notice has information about your current prescription drug coverage with the City of Austin and about your options under Medicare's prescription drug coverage. This information can help you decide whether or not you want to join a Medicare drug plan. If you are considering joining a Medicare drug plan, you should compare your current coverage, including which drugs are covered at what cost, with the coverage and costs of the plans offering Medicare prescription drug coverage in this area. There are two important things you need to know about your current coverage and Medicare's prescription drug coverage:

1. On January 1, 2006, new prescription drug coverage became available to individuals with Medicare Part A. This coverage is available through Medicare prescription drug plans, also referred to as Medicare Part D. All such plans provide a standard, minimum level of coverage established by Medicare. Some plans may also offer more coverage for a higher monthly premium.
2. The City of Austin has determined that prescription drug coverage offered through City health plans is, on average for all plan participants, expected to pay out as much as standard Medicare prescription drug coverage pays and is therefore considered Creditable Coverage. Because your existing coverage is Creditable Coverage, you can keep this coverage and not pay a higher premium (a penalty) if you later decide to join a Medicare drug plan.

Other Important Considerations

- If you currently have prescription drug coverage through a City health plan, you may choose to enroll in Medicare Part D annually between October 15 and December 7, or when you first become eligible for Medicare Part D.
- If you decide to join a Medicare drug plan, your current City of Austin medical coverage will not be affected.
- If you do decide to join a Medicare drug plan and drop your current City of Austin coverage for your dependents, you may be able to get this coverage back during an Open Enrollment period.
- You should also know that if you drop or lose your current coverage with the City of Austin and don't join a Medicare drug plan within 63 continuous days after your current coverage ends, you may pay a higher premium (a penalty) to join a Medicare drug plan later. If you go 63 continuous days or longer without creditable prescription drug coverage, your monthly premium may go up by at least one percent of the Medicare base beneficiary premium per month for every month that you did not have that coverage. For example, if you go 19 months without Creditable Coverage, your premium may consistently be at least 19 percent higher than the Medicare base beneficiary premium.
- You may have to pay this higher premium (a penalty) as long as you have Medicare prescription drug coverage. In addition, you may have to wait until the following October to join.
- If you are enrolled in Medicare Part D or a Medicare Advantage Plan and are also enrolled in the City health plan, you may have duplicate prescription coverage. If you would like to review your coverage or for more information, contact the Employee Benefits Division of the Human Resources Department at [512-974-3284](tel:512-974-3284).

More information about Medicare Part D prescription drug coverage

More detailed information about Medicare plans that offer prescription drug coverage is in the *Medicare & You* handbook. You'll get a copy of the handbook in the mail every year from Medicare. You may also be contacted directly by Medicare drug plans. You can also:

- Visit [medicare.gov](https://www.medicare.gov) for personalized help.
- Call the **Health and Human Services Commission of Texas** toll free at [888-834-7406](tel:888-834-7406), local number [800-252-9330](tel:800-252-9330).
- Call [800-MEDICARE \(800-633-4227\)](tel:800-MEDICARE).
- TTY users should call [877-486-2048](tel:877-486-2048).

Financial assistance may be available for individuals with limited income and resources through the **Social Security Administration (SSA)**. For more information, visit the SSA website at [socialsecurity.gov](https://www.socialsecurity.gov) or call [800-772-1213](tel:800-772-1213).

TTY users should call [800-325-0778](tel:800-325-0778).

The New Health Insurance Marketplace, Coverage Options and your City Health Coverage

PART A: General Information

The Health Insurance Marketplace is a new way to purchase health insurance in the United States. As you evaluate health insurance options for you and your family, this notice provides some basic information about the new Marketplace and employment based health coverage offered by your employer, the City of Austin.

What is the Health Insurance Marketplace?

The Marketplace is designed to help you find health insurance that meets your needs and fits your budget. The Marketplace offers “one-stop shopping” to find and compare private health insurance options. You may also be eligible for a new kind of tax credit that lowers your monthly premium right away. Open enrollment for health insurance coverage through the Marketplace begins in October for coverage starting as early as January 1.

Can I Save Money on my Health Insurance Premiums in the Marketplace?

Regular full-time employees will not experience savings because the City pays the entire premium for the CDHP and the majority of the PPO and HMO premium. Part-time employees may realize savings by going to the Marketplace.

Temporary employees with less than 12 months of service are not eligible for City-provided medical coverage. Temporary employees and their dependents can purchase health insurance through the Health Insurance Marketplace, designed to provide affordable health insurance.

Does Employer Health Coverage Affect Eligibility for Premium Savings through the Marketplace?

Yes. The City of Austin offers coverage that meets government standards. If you are in a regular budgeted position and work full-time, you will not be eligible for a tax credit at the Marketplace.

If you are in a regular budgeted position working part-time, and the premium you would pay for the City’s lowest cost medical plan (Employee Only) is more than 9.5 percent of your household income for the year, you may be eligible for a tax credit at the Marketplace. If you are a temporary employee, and therefore not eligible for medical coverage under a City medical plan, you are eligible for medical coverage through the Marketplace and may also qualify for a tax credit.

Note: If you purchase a health plan through the Marketplace instead of accepting health coverage offered by the City of Austin, then you may lose the City’s contribution (if any) to the employer-offered coverage. Also, the City’s contribution as well as your employee contribution to City offered coverage is usually excluded from income for federal and state income tax purposes. Your payments for coverage through the Marketplace are made on an after-tax basis.

How Can I Get More Information?

For more information about your coverage offered by the City of Austin, review this guide, or go to austintexas.gov/benefits for your summary plan description, or contact City of Austin at [512-974-3284](tel:512-974-3284).

The Marketplace can help you evaluate your coverage options, including your eligibility for coverage through the Marketplace and its cost. Please visit healthcare.gov for more information, including an online application for health insurance coverage and contact information for a Health Insurance Marketplace in your area.

PART B: Information About Health Coverage Offered by the City

This section contains information about health coverage offered by the City of Austin. If you decide to complete an application for coverage in the Marketplace, you will be asked to provide this information. This information is numbered to correspond to the Marketplace application.

3. Employer name: City of Austin		4. Employer Identification Number: 74-6000085
5. Employer address: P.O. Box 1088		6. Employer phone number: 512-974-3284
7. City: Austin	8. State: Texas	9. ZIP code: 78767
10. Who can we contact about employee health coverage at this job? Human Resources Department, Employee Benefits Division		
11. Phone number: 512-974-3284		12. Email address: HRD.Benefits@austintexas.gov

Basic Health Care Coverage Information

As your employer, the City of Austin offers a health plan to all employees in regular budgeted positions and to temporary employees with more than 12 months of continuous service.

The City of Austin offers dependent coverage to eligible dependents. Eligible dependents (spouse, domestic partner, children, dependent grandchildren) are detailed in this guide.

The City's coverage meets the minimum value standard, and the cost of this coverage to you is intended to be affordable, based on employee wages.

Note: Even though the City of Austin offers affordable coverage, you may still be eligible for a premium discount through the Marketplace. The Marketplace will use your household income, along with other factors, to determine whether you may be eligible for a premium discount. If you are an hourly employee, or have previously been unemployed, you may still qualify for a premium discount.

If you decide to shop for coverage in the Marketplace, healthcare.gov will guide you through the process.

EXHIBIT 4

City of Austin Claim Utilization Report - Incurred Losses 2013-2016

	2013		2014		2015		2016	
	Claim Count	Incurred Losses	Claim Count	Incurred Losses	Claim Count	Incurred Losses	Claim Count	Incurred Losses
ADMINISTRATIVE HEARINGS	7	\$2,601	7	\$2,792	9	\$3,584	4	\$912
ADOPTION	12	7,453	5	3,689	7	8,437	7	4,017
BANKRUPTCY	23	15,132	25	23,984	19	16,697	20	20,983
CONSUMER PROTECTION	7	4,471	7	4,885	13	16,028	13	6,279
DEFENSE OF CIVIL DAMAGE CLAIMS	21	4,895	21	8,785	25	10,144	33	15,689
DIVORCE	75	90,197	64	90,530	67	95,186	59	87,019
ESTATE ADMINISTRATION & ESTATE CLOSING	11	4,723	12	4,699	9	3,894	13	11,984
FAMILY LAW DECREE	12	7,706	5	3,403	12	6,907	20	10,333
FINANCIAL PLANNING	4	6,591	9	8,086	7	8,997	7	9,692
GUARDIANSHIP/CONSERVATORSHIP PROCEEDINGS	6	1,484	1	26	11	6,979	6	3,021
INSANITY OR INFIRMITY PROCEEDINGS								
IRS	7	5,204	7	5,088	6	2,013	2	1,753
JUVENILE COURT PROCEEDINGS	2	728	1	363	5	1,863	10	4,594
NAME CHANGE	3	828	9	2,452	2	623	5	1,631
POSTNUPTIAL AGREEMENTS								
PRENUPTIAL AGREEMENTS	2	772	2	794	2	852	4	1,785
PREVENTATIVE	1	90						
PROPERTY PROTECTION	4	2,634	5	2,942	3	2,709	8	7,102
PROPERTY TRANSFERS			1	25			11	1,289
TRAFFIC	25	9,533	34	16,087	22	9,072	27	6,845
WILLS	67	19,890	67	24,412	100	35,127	106	34,879
ATLAS/ACCESS	2,022	60,323	444	11,955	453	12,305	787	22,383
ONLINE DOCUMENTS	224	6,618	204	7,506	237	8,651	312	9,005
Grand Total	2,536	\$ 251,873	931	\$ 222,502	1,011	\$ 250,067	1,455	\$ 261,196



**ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS**

Solicitation: RFP 5800 KDS3002

Addendum No: 1

Date of Addendum: 5/15/2018

This addendum for the above referenced solicitation for a Group Pre-Paid Legal Plan is to incorporate the following changes and answer questions asked in the pre-proposal meeting on 5/15/2018:

I. Clarifications:

1. The workbook Attachments 2-10 has been reposted to make the following changes:

Attachment 10 - has been unlocked for editing.

Attachments 7 and 8 – unlocked the cells to edit Company Name.

II. Questions:

1. Why was the original solicitation cancelled?

Answer: The original solicitation was cancelled due to conflicting instructions in the solicitation regarding the acceptance of Alternate Offers. Alternate Offers are defined in Section 0100 Standard Purchase Definitions as "multiple Offers with substantive variations from the same Offeror in response to a Solicitation."

The original solicitation Scope of Work, 3. General Information, stated:

The City will accept Proposals from companies and brokers. Companies are not required to have a broker represent them; the City will contract directly with the proposing company, not the broker. However, if the City receives more than one (1) proposal for any given company, all proposals for that company will be rejected. No commissions or finder's fee shall be paid to agents and brokers.

Section 0400 of the solicitation stated:

ALTERNATE OFFERS: (reference paragraph 7A in Section 0200)

Alternate Offers may be considered as indicated on Attachment 3, Exceptions.

The following Question and Answer posted in Addendum 6 that indicated alternate offers would be accepted:

"We are considering adding new endorsements/coverages to the proposed legal plan (Attachment 7), or we may offer a second plan option. How do you recommend we show those additions and/or the second option?"

Answer: Attachment 10 will be posted to Vendor Connection for additional services proposed. If you submit more than one offer, you must follow the instructions on the Offer Sheet and submit it in a separate sealed package.

Because of the conflicting information provided, the solicitation was cancelled.

**ADDENDUM
PURCHASING OFFICE
CITY OF AUSTIN, TEXAS**

Solicitation: RFP 5800 KDS3002

Addendum No: 1

Date of Addendum: 5/15/2018

ALL OTHER TERMS AND CONDITIONS REMAIN THE SAME.

APPROVED BY:

Kim Larsen
Kimberley Larsen, Procurement Specialist II
Purchasing Office, 512-974-2261

5/15/2018
Date

ACKNOWLEDGED BY:

Ann Cosimano
Name

[Signature]
Authorized Signature

5/17/18
Date

RETURN ONE COPY OF THIS ADDENDUM TO THE CITY OF AUSTIN PURCHASING OFFICE WITH YOUR RESPONSE OR PRIOR TO THE SOLICIATION CLOSING DATE. FAILURE TO DO SO MAY CONSTITUTE GROUNDS FOR REJECTION

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RFP 5800 KDS0505



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Section II

Price Proposal

(continued)



ARAG Appendices

Appendix A – Quality Assurance Plan

Appendix B – IT Security Policy

Appendix C – New Member Welcome Kit

Appendix D – 2016 Annual Report City of Austin

Appendix E – Texas Certificate of Registration

Addenda

Addendum 1

Exhibit C

The undersigned, by his/her signature, represents that he/she is submitting a binding offer and is authorized to bind the respondent to fully comply with the solicitation document contained herein. The Respondent, by submitting and signing below, acknowledges that he/she has received and read the entire document packet sections defined above including all documents incorporated by reference, and agrees to be bound by the terms therein.

Company Legal Name: ARAG Services, LLC, a subsidiary of ARAG North America, Inc.

Company Address: 500 Grand Avenue, Suite 100

City, State, Zip: Des Moines, IA 50309

Federal Tax ID No. _____

Printed Name of Officer or Authorized Representative: Ann Cosimano

Title: General Counsel

Signature of Officer or Authorized Representative: 

Date: 5/17/18

Email Address: Ann.Cosimano@ARAGlegal.com

Phone Number: 515-246-1200

*** Proposal response must be submitted with this signed Offer sheet to be considered for award**

Exhibit C
Section 0605: Local Business Presence Identification

A firm (Offeror or Subcontractor) is considered to have a Local Business Presence if the firm is headquartered in the Austin Corporate City Limits, or has a branch office located in the Austin Corporate City Limits in operation for the last five (5) years, currently employs residents of the City of Austin, Texas, and will use employees that reside in the City of Austin, Texas, to support this Contract. The City defines headquarters as the administrative center where most of the important functions and full responsibility for managing and coordinating the business activities of the firm are located. The City defines branch office as a smaller, remotely located office that is separate from a firm's headquarters that offers the services requested and required under this solicitation.

OFFEROR MUST SUBMIT THE FOLLOWING INFORMATION FOR EACH LOCAL BUSINESS (INCLUDING THE OFFEROR, IF APPLICABLE) TO BE CONSIDERED FOR LOCAL PRESENCE.

NOTE: ALL FIRMS MUST BE IDENTIFIED ON THE MBE/WBE COMPLIANCE PLAN OR NO GOALS UTILIZATION PLAN (REFERENCE SECTION 0900).

USE ADDITIONAL PAGES AS NECESSARY

OFFEROR:

Name of Local Firm	N/A; ARAG does not have a local business presence in Austin, Texas.	
Physical Address	N/A	
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years?	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

Exhibit C

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

SUBCONTRACTOR(S):

Name of Local Firm		
Physical Address		
Is your headquarters located in the Corporate City Limits? (circle one)	Yes	No
or		
Has your branch office been located in the Corporate City Limits for the last 5 years	Yes	No
Will your business be providing additional economic development opportunities created by the contract award? (e.g., hiring, or employing residents of the City of Austin or increasing tax revenue?)	Yes	No

**City of Austin, Texas
Section 0800
NON-DISCRIMINATION AND NON-RETALIATION CERTIFICATION**

**City of Austin, Texas
Equal Employment/Fair Housing Office**

To: City of Austin, Texas,

I hereby certify that our firm complies with the Code of the City of Austin, Section 5-4-2 as reiterated below, and agrees:

- (1) Not to engage in any discriminatory employment practice defined in this chapter.
- (2) To take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without discrimination being practiced against them as defined in this chapter, including affirmative action relative to employment, promotion, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rate of pay or other forms of compensation, and selection for training or any other terms, conditions or privileges of employment.
- (3) To post in conspicuous places, available to employees and applicants for employment, notices to be provided by the Equal Employment/Fair Housing Office setting forth the provisions of this chapter.
- (4) To state in all solicitations or advertisements for employees placed by or on behalf of the Contractor, that all qualified applicants will receive consideration for employment without regard to race, creed, color, religion, national origin, sexual orientation, gender identity, disability, sex or age.
- (5) To obtain a written statement from any labor union or labor organization furnishing labor or service to Contractors in which said union or organization has agreed not to engage in any discriminatory employment practices as defined in this chapter and to take affirmative action to implement policies and provisions of this chapter.
- (6) To cooperate fully with City and the Equal Employment/Fair Housing Office in connection with any investigation or conciliation effort of the Equal Employment/Fair Housing Office to ensure that the purpose of the provisions against discriminatory employment practices are being carried out.
- (7) To require of all subcontractors having 15 or more employees who hold any subcontract providing for the expenditure of \$2,000 or more in connection with any contract with the City subject to the terms of this chapter that they do not engage in any discriminatory employment practice as defined in this chapter.

For the purposes of this Offer and any resulting Contract, Contractor adopts the provisions of the City's Minimum Standard Non-Discrimination and Non-Retaliation Policy set forth below.

**City of Austin
Minimum Standard Non-Discrimination and Non-Retaliation in Employment Policy**

As an Equal Employment Opportunity (EEO) employer, the Contractor will conduct its personnel activities in accordance with established federal, state and local EEO laws and regulations.

The Contractor will not discriminate against any applicant or employee based on race, creed, color, national origin, sex, age, religion, veteran status, gender identity, disability, or sexual orientation. This policy covers all aspects of employment, including hiring, placement, upgrading, transfer, demotion, recruitment, recruitment advertising, selection for training and apprenticeship, rates of pay or other forms of compensation, and layoff or termination.

The Contractor agrees to prohibit retaliation, discharge or otherwise discrimination against any employee or applicant for employment who has inquired about, discussed or disclosed their compensation.

Further, employees who experience discrimination, sexual harassment, or another form of harassment should immediately report it to their supervisor. If this is not a suitable avenue for addressing their complaint, employees are advised to contact another member of management or their human resources representative. No employee shall be discriminated against, harassed, intimidated, nor suffer any reprisal as a result of reporting a violation of

Exhibit C

this policy. Furthermore, any employee, supervisor, or manager who becomes aware of any such discrimination or harassment should immediately report it to executive management or the human resources office to ensure that such conduct does not continue.

Contractor agrees that to the extent of any inconsistency, omission, or conflict with its current non-discrimination and non-retaliation employment policy, the Contractor has expressly adopted the provisions of the City's Minimum Non-Discrimination Policy contained in Section 5-4-2 of the City Code and set forth above, as the Contractor's Non-Discrimination Policy or as an amendment to such Policy and such provisions are intended to not only supplement the Contractor's policy, but will also supersede the Contractor's policy to the extent of any conflict.

UPON CONTRACT AWARD, THE CONTRACTOR SHALL PROVIDE THE CITY A COPY OF THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICIES ON COMPANY LETTERHEAD, WHICH CONFORMS IN FORM, SCOPE, AND CONTENT TO THE CITY'S MINIMUM NON-DISCRIMINATION AND NON-RETALIATION POLICIES, AS SET FORTH HEREIN, OR THIS NON-DISCRIMINATION AND NON-RETALIATION POLICY, WHICH HAS BEEN ADOPTED BY THE CONTRACTOR FOR ALL PURPOSES WILL BE CONSIDERED THE CONTRACTOR'S NON-DISCRIMINATION AND NON-RETALIATION POLICY WITHOUT THE REQUIREMENT OF A SEPARATE SUBMITTAL.

Sanctions:

Our firm understands that non-compliance with Chapter 5-4 and the City's Non-Retaliation Policy may result in sanctions, including termination of the contract and suspension or debarment from participation in future City contracts until deemed compliant with the requirements of Chapter 5-4 and the Non-Retaliation Policy.

Term:

The Contractor agrees that this Section 0800 Non-Discrimination and Non-Retaliation Certificate of the Contractor's separate conforming policy, which the Contractor has executed and filed with the City, will remain in force and effect for one year from the date of filing. The Contractor further agrees that, in consideration of the receipt of continued Contract payment, the Contractor's Non-Discrimination and Non-Retaliation Policy will automatically renew from year-to-year for the term of the underlying Contract.

Dated this 17th day of May, 2018

CONTRACTOR

Authorized
Signature

Title

ARAG Services, LLC



General Counsel

Section 0835: Non-Resident Bidder Provisions

Company Name ARAG Services, LLC

Bidder must answer the following questions in accordance with Vernon's Texas Statutes and Codes Annotated Government Code 2252.002, as amended:

- A. Is the Bidder that is making and submitting this Bid a "Resident Bidder" or a "non-resident Bidder"?

Answer: Nonresident Bidder

- (1) Texas Resident Bidder- A Bidder whose principle place of business is in Texas and includes a Contractor whose ultimate parent company or majority owner has its principal place of business in Texas.
(2) Nonresident Bidder- A Bidder who is not a Texas Resident Bidder.

- B. If the Bidder id a "Nonresident Bidder" does the state, in which the Nonresident Bidder's principal place of business is located, have a law requiring a Nonresident Bidder of that state to bid a certain amount or percentage under the Bid of a Resident Bidder of that state in order for the nonresident Bidder of that state to be awarded a Contract on such bid in said state?

Answer: No **Which State:** Iowa

- C. If the answer to Question B is "yes", then what amount or percentage must a Texas Resident Bidder bid under the bid price of a Resident Bidder of that state in order to be awarded a Contract on such bid in said state?

Answer: _____

Section 0840, Service-Disabled Veteran Business Enterprise Preference

Offeror Name
ARAG Legal Services, LLC

Additional Solicitation Instructions.

- ☒ By checking this box, Offeror states they are NOT a certified Service-Disabled Veteran Business Enterprise seeking to claim preference points under the City of Austin's SDVBE Program.
- Offerors seeking to claim the Service-Disabled Veteran Business Enterprise (SDVBE) preference shall be certified **under one of the two following scenarios**. Offerors shall check one of the following boxes, input the data in the applicable table below and include this completed form in their Proposal.
 - ☐ **HUB/SV.** Offeror is certified as a Service-Disabled Veteran (SV) Historically Underutilized Business (HUB) by the Texas State Comptroller of Public Accounts.

Texas State HUB/SV Certification	
13-Digit Vendor ID (VID)	
HUB/SV Issue Date	
HUB/SV Expiration Date	

- ☐ **HUB/OTHER + Federal SDVOSB.** Offeror is certified by the Texas State Comptroller of Public Accounts as a Historically Underutilized Business in a HUB Eligibility Category other than Service-Disabled Veteran (SV) AND is verified by the US Veterans Administration as a Service-Disabled Veteran-Owned Small Business (SDVOSB). **Texas HUB Eligibility Categories:** HUB/BL (Black), HUB/AS (Asian), HUB/HI (Hispanic), HUB/AI (Native American), or HUB/WO (Women Owned).

Texas State HUB/OTHER Certification	
13-Digit Vendor ID (VID)	
HUB Eligibility Category	
HUB Issue Date	
HUB Expiration Date	

Federal SDVOSB Verification	
9-Digit DUNS	
SDVOSB Issue Date	
SDVOSB Expiration Date	

- Offeror Identity.** The Offeror submitting the Proposal shall be the same entity that is certified by the Texas State Comptroller of Public Accounts, AND if applicable as verified by the US Veterans Administration.
- Certification Status.** Offeror's certification(s) must be active on or before the Solicitation's due date for Proposals and shall not expire prior to the award and execution of any resulting contract.
- Confirmation of Certification(s).** Upon receipt of this completed form, the City will confirm the Offeror's certification(s): State: <https://mycpa.cpa.state.tx.us/tpasscmblsearch>. Federal: <https://www.vip.vetbiz.gov/>. The City will direct any questions concerning an Offeror's State or Federal certification status to the Offeror's contact person as designated on the Offer Form of their Proposal.
- Misrepresentation.** If the City determines that the Offeror requesting this preference is not certified by the State or Federal government if applicable, the Offeror will not receive the preference points. If the City determines that this misrepresentation was intentional, the City may also find the Offeror not responsible and may report the Offeror to the Texas State Comptroller of Public Accounts or if applicable to the US Veterans Administration. If the misrepresentation is discovered after contract award, the City reserves the right to void the contract.

PROCUREMENT PROGRAM

Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form

SOLICITATION NUMBER: RFP 5800 KDS3002
 SOLICITATION TITLE: Group Pre-Paid Legal Plan

In accordance with the City of Austin's Minority and Women-Owned Business Enterprises (M/WBE) Procurement Program (Program), Chapters 2-9A/B/C/D of the City Code and M/WBE Program Rules, this Solicitation was reviewed by the Small and Minority Business Resources Department (SMBR) to determine if M/WBE Subcontractor/Sub-Consultant ("Subcontractor") Goals could be applied. Due to insufficient subcontracting/subconsultant opportunities and/or insufficient availability of M/WBE certified firms, SMBR has assigned no subcontracting goals for this Solicitation. However, Offerors who choose to use Subcontractors must comply with the City's M/WBE Procurement Program as described below. Additionally, if the Contractor seeks to add Subcontractors after the Contract is awarded, the Program requirements shall apply to any Contract(s) resulting from this Solicitation.

Instructions:

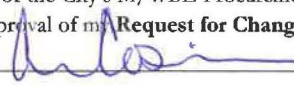
- a.) Offerors who do not intend to use Subcontractors shall check the "NO" box and follow the corresponding instructions.
 b.) Offerors who intend to use Subcontractors shall check the applicable "YES" box and follow the instructions. **Offers that do not include the following required documents shall be deemed non-compliant or nonresponsive as applicable, and the Offeror's submission may not be considered for award.**

☒ **NO, I DO NOT intend to use Subcontractors/Sub-consultants.**

Instructions: Offerors that do not intend to use Subcontractors shall complete and sign this form below (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form) and include it with their sealed Offer.

☐ **YES, I DO intend to use Subcontractors /Sub-consultants.**

Instructions: Offerors that do intend to use Subcontractors shall complete and sign this form below (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Form), and follow the additional Instructions in the (Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan). Contact SMBR if there are any questions about submitting these forms.

Offeror Information			
Company Name	ARAG Services, LLC		
City Vendor ID Code	V00000900556		
Physical Address	500 Grand Avenue, Suite 100		
City, State Zip	Des Moines, IA 50309		
Phone Number	515-246-1200	Email Address	info@ARAGlegal.com
Is the Offeror City of Austin M/WBE certified?	<input checked="" type="checkbox"/> NO <input type="checkbox"/> YES Indicate one: <input type="checkbox"/> MBE <input type="checkbox"/> WBE <input type="checkbox"/> MBE/WBE Joint Venture		
<p>Offeror Certification: I understand that even though SMBR did not assign subcontract goals to this Solicitation, I will comply with the City's M/WBE Procurement Program if I intend to include Subcontractors in my Offer. I further agree that this completed Subcontracting/Sub-Consulting Utilization Form, and if applicable my completed Subcontracting/Sub-Consulting Utilization Plan, shall become a part of any Contract I may be awarded as the result of this Solicitation. Further, if I am awarded a Contract and I am not using Subcontractor(s) but later intend to add Subcontractor(s), before the Subcontractor(s) is hired or begins work, I will comply with the City's M/WBE Procurement Program and submit the Request For Change form to add any Subcontractor(s) to the Project Manager or the Contract Manager for prior authorization by the City and perform Good Faith Efforts (GFE), if applicable. I understand that, if a Subcontractor is not listed in my Subcontracting/Sub-Consulting Utilization Plan, it is a violation of the City's M/WBE Procurement Program for me to hire the Subcontractor or allow the Subcontractor to begin work, unless I first obtain City approval of my Request for Change form. I understand that, if a Subcontractor is not listed in my Subcontracting/Sub-Consulting Utilization Plan, it is a violation of the City's M/WBE Procurement Program for me to hire the Subcontractor or allow the Subcontractor to begin work, unless I first obtain City approval of my Request for Change form.</p> <p><u>Ann Cosimano, General Counsel</u> <u></u> 5/17/18</p>			
Name and Title of Authorized Representative (Print or Type)		Signature/Date	

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM
Subcontracting /Sub-Consulting ("Subcontractor") Utilization Plan**

SOLICITATION NUMBER: RFP 5800 KDS3002
SOLICITATION TITLE: Group Pre-Paid Legal Plan

INSTRUCTIONS: Offerors who DO intend to use Subcontractors may utilize M/WBE Subcontractor(s) or perform Good Faith efforts when retaining Non-certified Subcontractor(s). Offerors must determine which type of Subcontractor(s) they are anticipating to use (CERTIFIED OR NON-CERTIFIED), check the box of their applicable decision, and comply with the additional instructions associated with that particular selection.

☐ **I intend to use City of Austin CERTIFIED M/WBE Subcontractor/Sub-consultant(s).**

Instructions: Offerors may use Subcontractor(s) that ARE City of Austin certified M/WBE firms. Offerors shall contact SMBR (512-974-7600 or SMBRComplianceDocuments@austintexas.gov) to confirm if the Offeror's intended Subcontractor(s) are City of Austin certified M/WBE and if these firm(s) are certified to provide the goods and services the Offeror intends to subcontract. If the Offeror's Subcontractor(s) are current valid certified City of Austin M/WBE firms, the Offeror shall insert the name(s) of their Subcontractor(s) into the table below and must include the following documents in their sealed Offer:

- Subcontracting/Sub-Consulting Utilization Form (completed and signed)
- Subcontracting/Sub-Consulting Utilization Plan (completed)

☐ **I intend to use NON-CERTIFIED Subcontractor/Sub-Consultant(s) after performing Good Faith Efforts.**

Instructions: Offerors may use Subcontractors that ARE NOT City of Austin certified M/WBE firms ONLY after Offerors have first demonstrated Good Faith Efforts to provide subcontracting opportunities to City of Austin M/WBE firms.

STEP ONE: Contact SMBR for an availability list for the scope(s) of work you wish to subcontract;

STEP TWO: Perform Good Faith Efforts (Check List provided below);

STEP THREE: Offerors shall insert the name(s) of their certified or non-certified Subcontractor(s) into the table below and must include the following documents in their sealed Offer:

- Subcontracting/Sub-Consulting Utilization Form (completed and signed)
- Subcontracting/Sub-Consulting Utilization Plan (completed)
- All required documentation demonstrating the Offeror's performance of Good Faith Efforts (see Check List below)

GOOD FAITH EFFORTS CHECK LIST –

When using NON-CERTIFIED Subcontractor/Sub-consultants(s), **ALL of the following CHECK BOXES MUST be completed in order to meet and comply with the Good Faith Effort requirements and all documentation must be included in your sealed Offer. Documentation CANNOT be added or changed after submission of the bid.**

- ☐ **Contact SMBR.** Offerors shall contact SMBR (512-974-7600 or SMBRComplianceDocuments@austintexas.gov) to obtain a list of City of Austin certified M/WBE firms that are certified to provide the goods and services the Offeror intends to subcontract out. (Availability List). Offerors shall document their contact(s) with SMBR in the "SMBR Contact Information" table on the following page.

- ☐ **Contact M/WBE firms.** Offerors shall contact all of the M/WBE firms on the Availability List with a Significant Local Business Presence which is the Austin Metropolitan Statistical Area, to provide information on the proposed goods and services proposed to be subcontracted and give the Subcontractor the opportunity to respond on their interest to bid on the proposed scope of work. When making the contacts, Offerors shall use at least two (2) of the following communication methods: email, fax, US mail or phone. Offerors shall give the contacted M/WBE firms at least seven days to respond with their interest. Offerors shall document all evidence of their contact(s) including: emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, company contacted, phone number, and contact person.

PROCUREMENT PROGRAM

Subcontracting /Sub-Consulting ("Subcontractor") Utilization Plan

SOLICITATION NUMBER: RFP 5800 KDS3002

SOLICITATION TITLE: Group Pre-Paid Legal Plan

- ☐ **Follow up with responding M/WBE firms.** Offeror shall follow up with all M/WBE firms that respond to the Offeror's request. Offerors shall provide written evidence of their contact(s): emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, company contacted, phone number, and contact person.
- ☐ **Advertise.** Offerors shall place an advertisement of the subcontracting opportunity in a local publication (i.e. newspaper, minority or women organizations, or electronic/social media). Offerors shall include a copy of their advertisement, including the name of the local publication and the date the advertisement was published.
- ☐ **Use a Community Organization.** Offerors shall solicit the services of a community organization(s); minority persons/women contractors'/trade group(s); local, state, and federal minority persons/women business assistance office(s); and other organizations to help solicit M/WBE firms. Offerors shall provide written evidence of their Proof of contact(s) include: emails, fax confirmations, proof of mail delivery, and/or phone logs. These documents shall show the date(s) of contact, organization contacted, phone number, email address and contact person.

**MINORITY- AND WOMEN-OWNED BUSINESS ENTERPRISE (MBE/WBE)
PROCUREMENT PROGRAM**

Subcontracting/Sub-Consulting ("Subcontractor") Utilization Plan

SOLICITATION NUMBER: RFP 5800 KDS3002
SOLICITATION TITLE: Group Pre-Paid Legal Plan

(Offerors may duplicate this page to add additional Subcontractors as needed)

Subcontractor/Sub-consultant	
City of Austin Certified	<input type="checkbox"/> MBE <input type="checkbox"/> WBE Ethnic/Gender Code: <input type="checkbox"/> NON-CERTIFIED
Company Name	
Vendor ID Code	
Contact Person	Phone Number:
Additional Contact Info	Fax Number: E-mail:
Amount of Subcontract	\$
List commodity codes & description of services	
Justification for not utilizing a certified MBE/WBE	

Subcontractor/Sub-consultant	
City of Austin Certified	<input type="checkbox"/> MBE <input type="checkbox"/> WBE Ethnic/Gender Code: <input type="checkbox"/> NON-CERTIFIED
Company Name	
Vendor ID Code	
Contact Person	Phone Number:
Additional Contact Info	Fax Number: E-mail:
Amount of Subcontract	\$
List commodity codes & description of services	
Justification for not utilizing a certified MBE/WBE	

SMBR Contact Information			
SMBR Contact Name	Contact Date	Means of Contact	Reason for Contact
		<input type="checkbox"/> Phone OR <input type="checkbox"/> Email	

FOR SMALL AND MINORITY BUSINESS RESOURCES DEPARTMENT USE ONLY:

Having reviewed this plan, I acknowledge that the Offeror ☐ HAS or ☐ HAS NOT complied with these instructions and City Code Chapters 2-9A/B/C/D, as amended.

Reviewing Counselor

Date

I have reviewed the completing the Subcontracting/Sub-Consultant Utilization Plan and ☐ Concur ☐ Do Not Concur with the Reviewing Counselor's recommendation.

Director/Assistant Director or Designee

Date

Exhibit C

Authorized Negotiator



The following executives are authorized to negotiate and execute binding contract terms:

David Murray, President and Chief Executive Officer

ARAG Insurance Company
500 Grand Avenue, Suite 100
Des Moines, IA 50309
800-888-4184, ext. 266
David.Murray@ARAGlegal.com

Andrea Morse, Chief Financial Officer

ARAG Insurance Company
500 Grand Avenue, Suite 100
Des Moines, IA 50309
800-888-4184, ext. 267
Andrea.Morse@ARAGlegal.com

Ann Cosimano, General Counsel

ARAG Insurance Company
500 Grand Avenue, Suite 100
Des Moines, IA 50309
800-888-4184, ext. 288
Ann.Cosimano@ARAGlegal.com

Exhibit C Executive Summary for the City of Austin



On behalf of ARAG, we want to thank the City of Austin for your business over the past five years and for the opportunity to respond to RFP 5800 KDS0505. During this time we have come to better understand your employees' needs and have crafted our offer with that knowledge in mind.

History and Experience

ARAG was founded internationally in 1935. Since our inception, our purpose is helping people protect their legal rights and have affordable access to legal assistance. ARAG protects 17.5 million people and their families in 17 countries worldwide.

ARAG has been writing group legal insurance in the United States for nearly 45 years. Today, our staff continues to share our founder's passion for delivering industry-unique legal solutions to 685 organizations across the United States. Of those 685 organizations, 102 are public sector employers — including the City of Austin.

Proposal Offer

ARAG is proposing two plans for consideration, both of which include no waiting periods for employees, no attorney fees on paid-in-full benefits, and no co-pays when members work with a Network Attorney.

1. **Match Plan:** This is the requested plan design (currently offered program). This continues to offer all the great benefits your employees have grown accustomed to with a substantial *rate reduction*.
2. **Enhanced Plan:** this includes all the benefits in the match plan plus additional coverages at the *current price*. These benefits will provide an even more comprehensive plan resulting in less out-of-pocket costs for employees, greater protection to address more employees' needs leading to the highest level of customer satisfaction. The additional coverages are:
 - a. Elder Law
 - b. Home Equity Loan – Primary Residence
 - c. Insurance Disputes
 - d. Restraining Order – Named Insured and Insured
 - e. Building Codes
 - f. Zoning and Variances
 - g. Easement
 - h. Social Security/Veterans/Medicare
 - i. School Administrative Hearings
 - j. Property Tax – Primary Residence
 - k. Caregiving Services
 - l. Contested and Uncontested Establishment of Child Custody/Child Support Agreement
 - m. Contested and Uncontested Post Decree Modification for Child Custody and/or Child Visitation

What Differentiates ARAG

Account Management

- Lola Ngatia, will continue to serve as the City of Austin's dedicated account manager with Sharyl Dilling acting as her back up to ensure there's always someone available to meet your needs. The City of Austin's quarterly employee benefits staff surveys have consistently rated ARAG – and Lola specifically – as above average and it is our pledge to continue to partner and provide exceptional service.
- Lola meets with you annually to review reports that offer valuable information to help you make benefit decisions and future plan changes to ensure you continue to provide a benefit that meets employees' evolving needs.



Since 2013, we have worked together to make benefit enhancements to the plan at no additional cost to include:

- Purchase and Sale of Primary Residence (2016)
- Document Preparation and Review (2016)
- Postnuptial Agreement (2016)
- Credit Records Correction (2016)
- Tax Services (2018)
- Refinancing – Primary Residence (2018)
- Traffic Matters – Unlimited (2018)

Customer Care & Claims

- Nationwide, our members gave Customer Care Specialists an overall satisfaction score of 8.7 on a 10-point scale for 2017.
- Our Customer Care staff's retention rate is approximately 94 percent, which is higher than the call center industry standard.
- ARAG is proud to receive significant national recognition for customer service excellence, most recently being named a BenchmarkPortal Top Contact Center – Small Centers Category.
- Overall, ARAG received 1,025 complaints out of 436,820 interactions (or 0.23 percent) for 2017.
- ARAG processed claims within 4.4 business days for both in- and out-of-network claims in 2017.
- Less than 4 percent of all ARAG claims were denied in 2017. The most common denial reason was duplicate claim submission.
- It's our goal to create a customer experience that includes peace of mind. We'd like to think that this recent comment confirms that what we do makes a difference:

After my initial phone call, they called me back in less than a day. When these type of things weigh heavy on your head, promptly knowing someone was there to help was incredibly calming. ~Robert J.

Attorney Network

- Our industry-exclusive Network Guarantee ensures that all ARAG members and eligible dependents can access a Network Attorney who practices in the needed area of law within 30 miles of their home or work. If there is not a Network Attorney within 30 miles, we will locate an Attorney who will provide legal services for covered matters at full member benefits.
- To support our Network Guarantee, we have been increasing our Attorney Network, as shown below:

2014	2015	2016	2017	2018
More than 9,300	More than 10,000	More than 11,000	More than 12,000	More than 13,000

- We currently have 823 Network Attorneys in the State of Texas and 237 in the counties where the majority of your employees reside.
- Network Attorneys are credentialed individually rather than on a firm level. That means we make sure he or she meets state requirements and certifications to have an active license in good standing within the state of practice, maintains the required amount of liability insurance, and specifically agrees to the ARAG Network Attorney Agreement to which we hold them accountable.

Resources

- Our mobile app enables members to access to their member ID cards and our Network of Attorneys from their mobile device and now provides ratings and reviews for Network Attorneys based on feedback received from our member satisfaction surveys.

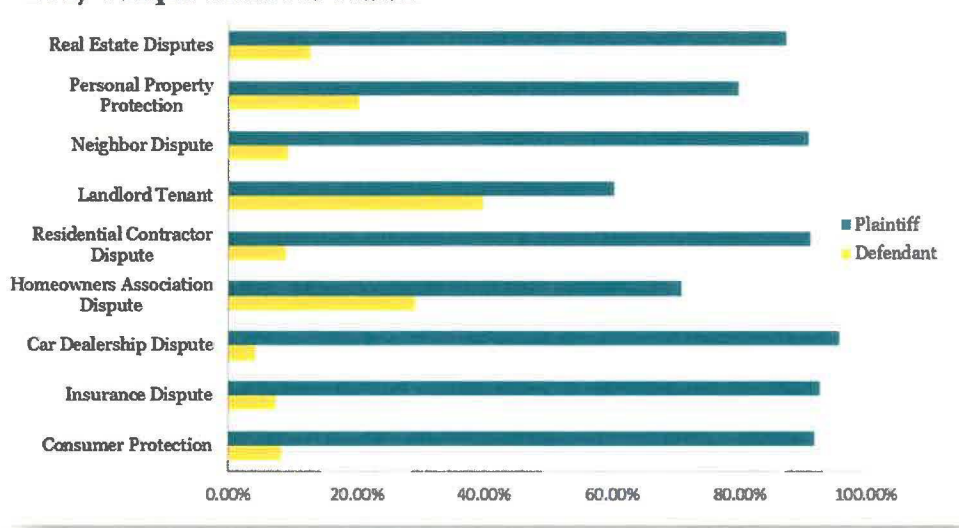


- All employees — including those who do not enroll — have free access to online tools and resources at ARAGLegalCenter.com to help them make informed, confident decisions regarding legal issues.
- Our Welcome Kit provides new members with 2 identification cards and instructions for how to get the most out of their legal plan.

Coverage

- For legal matter that are not excluded, members have access to legal counsel for noncovered matters that are covered:
 - At 100 percent when contacting a Network Attorney by phone for legal advice and consultation.
 - Under our Reduced Fee Benefit of at least 25 percent off a Network Attorney's normal hourly rate.
- By covering plaintiff issues, members receive paid-in-full coverage for more legal needs. Based on 2017 ARAG claims, plaintiff matters exceed defendant matters by as much as 9 to 1 in some areas of law (see chart above).

2017 Unique Member Claims



Coverage After Termination

- ARAG is unique in the industry in that we provide coverage in both of the following situations after a member's termination date:
 - ARAG continues to pay open claims for covered matters after the member terminates coverage.
 - ARAG covers legal services as long as the member makes us aware of the legal matter within one year after the insured event, as long as the insured event occurred while the member was enrolled.
- Members can continue with a group conversion plan after leaving employment for as long as they choose to remain enrolled.

Our proposal provides more details on how we can help your employees resolve more of their legal and financial problems. On behalf of all of us at ARAG, we look forward to continuing our relationship with you into the future!

Sincerely,

David Murray
President & CEO

Personnel, Qualifications/ Certifications, Experience

Exhibit C



David Murray, President and Chief Executive Officer

Responsible for finding ways for ARAG to quickly adapt to the rapidly changing marketplace and using innovative strategies to expand our markets and sales channels. Provides strategic oversight of the account in his role as the Executive Sponsor for the City of Austin, where he is available as needed to interface with City senior management which includes, but is not limited to, the Director of Human Resources and Civil Service.

Serves 9 clients, including large state government or universities.

Located in Des Moines, Iowa.

Joined ARAG in 1991.

Lola Ngatia, Director, National Accounts

Serves as your day-to-day contact as a strategist and advocate to ensure your benefit objectives and long-term needs are met.

Currently works with Lisa Herrera, Benefits Consultant for the City's legal plan, as well as Wendy Riggins, the City's Employee Benefits Manager. Has served as the client manager for the City of Austin since 2013.

Directly manages 31 accounts and has overall strategic responsibility for approximately 78 accounts including several municipalities, including federal.

Devotes full attention to the City of Austin as needed, with Sharyl Dilling acting as her backup.

Located in Tampa, Florida.

Joined ARAG in 2002.

Regional Client Manager

Sharyl Dilling

Serves as Lola's backup for the City of Austin. Also works with Lisa and Wendy, as needed.

Develops, implements, and coordinates available ARAG resources to ensure clients and their employees are satisfied with ARAG legal insurance.

Primary contact or backup for 157 clients, including 28 public sector clients. Has served the City of Austin since 2013.

Located in Des Moines, Iowa.

Joined ARAG in 1990.

Client Support

**Customer Care
& Claims**

Product

**Legal &
Regulatory**

Marketing

Exhibit C Compliance to Requirements/ Proposed Solution



Scope of Work

General Requirements

- 4.1 Contractor shall administer the pre-paid legal plan in strict compliance with applicable federal, state and local laws.**

Agreed.

ARAG's insurance policies and certificates fully comply with stringent federal and state laws, rules and regulations, as well as the Attorney's Code of Professional Responsibility in all fifty states, giving the City of Austin and your employees greater peace of mind.

ARAG is regulated in 49 states and the District of Columbia by one of the following: Department of Insurance, Department of Consumer Affairs, Department of Licensing and Regulation, or General Consumer Laws.

In Texas, ARAG's legal plan is regulated by the Texas Department of Licensing and Regulation; the product is underwritten and administered by ARAG Services, LLC.

ARAG's policies are backed not only by the reserves it maintains, but that of its financially strong parent company.

- 4.2 Contractor shall monitor, on an ongoing basis, all related federal and state legislative activity and inform the City of all bills under consideration that could potentially affect the City's ability to provide Pre-Paid Legal benefits to Covered Persons.**

Agreed.

ARAG monitors legislative activity and will notify clients of potential legislation that could affect their ability to provide legal benefits.

- 4.3 Contractor shall have and provide a Quality Control/Assurance Plan.**

Agreed.



Performance Standards

ARAG sets the following internal and external performance standards for call handling, material delivery, and claims payment. If results do not meet our goals, we review the cause and take action. This may include evaluating technology, changing a process, or increasing staff.

	Measure	Standard	2017 Results
Customer Care	Abandonment Rate	< 5%	2.0%*
	Speed of Answer	< 30 seconds	22.9 seconds
Material Processing	New Member Kits	Within first month from receipt of enrollment data	5 business days
	Materials Requested by Plan Members	Mail in 5 business days** Email in 24 business hours**	Within 2 business days Less than 24 hours
Claims	Speed of Processing or Follow-Up on Local Attorney Claims	10 business days ***	4.4 business days

*Includes those who hang up within first 10 seconds

**From receipt of request

***Average days from receipt of all information required to complete claim processing

Client Management

Each year, ARAG emails surveys to clients to receive feedback on their experiences with our products, our services, and their Client Manager. Their comments identify areas of satisfaction and areas needing improvement. Our 2017 results, based on a 10-point scale, follow:

Client Satisfaction on the following	Average Rating
Overall Satisfaction with ARAG	8.7
Ease of Enrollment (Administrative	9.1
Meets Benefit Objectives	8.7



Customer Care

To understand and improve member experiences, we email monthly surveys to members who used our plan. This includes members who accessed DIY Docs®, worked with a Network Attorney, or called a Customer Care Specialist. Our 2017 results, based on a 10-point scale, are illustrated below:

Member Satisfaction on the following*	Average Rating
Respect and Support Offered by ARAG Representatives	9.0
Overall Satisfaction	8.7

To improve call quality and enhance customer experience, Customer Care's dedicated Learning & Development Specialist focuses on training all Customer Care staff and assessing the progress of new hires and tenured employees. We regularly monitor our Customer Care Specialists interactions with members. Our goal is to answer questions promptly and accurately, and direct members on the right path toward resolution.

Our Quality Monitoring Program includes additional monthly one-on-one call listening and coaching sessions with each Specialist to improve the customer experience.

Claim Administration

All Claims Specialists receive ongoing quality reviews, including random quality assurance audits.

In addition to quality audits conducted by the Claims Manager, an added layer of review exists within the Enterprise Risk Department. The review looks at adherence to process, procedures, and best practices. The Senior Business Risk and Audit Analyst also performs trending analysis on paid claims to determine if additional audits/reviews are necessary.

We review Specialists' work for both procedural and financial accuracy.

Network Attorney

We recruit and credential ARAG Network Attorneys on an individual basis instead of at the firm level to ensure that each attorney meets our specific requirements for acceptance to our network. Attorneys certify that they will contact ARAG should they have a change of contact information, licensing issue, or disciplinary action filed against them, which ARAG also independently recertifies on an annual basis.

We send member surveys to those who received services from Network Attorneys. We use this information to gauge attorney performance and learn about the quality of the member's experience. Also, we conduct random audits to gather information through provider questionnaires and solicit direct member feedback.



Our 2017 results, based on a 10-point scale, follow:

Member Satisfaction on the following*	Average Rating
Accessibility and Responsiveness of Attorneys	9.1
Attorneys Knowledge about the Legal Matter	8.8
Professionalism of the Attorney	9.2

*Each of the categories is a compilation of questions targeted to get a full picture of a member's perspective on the issue. The data for attorney results represent responses from members using in-office services.

Please see Appendix A – Quality Assurance Plan_ARAG.

4.4 Contractor shall have and provide a plan to manage information that is proprietary to the eligible or enrolled employees and their dependents (Confidential Information), such as names, addresses, gender and identification numbers.

Agreed.

ARAG takes its obligation to protect the privacy of our customers very seriously and has implemented numerous policies and control procedures to increase client and customer security and privacy. ARAG utilizes technology, standards, and processes that are accepted industry-wide to protect and safeguard employee and member data. We structure our security practice to adhere to both National Institute of Standards and Technology (NIST) stipulations and ISO2700.

ARAG requires limited PII for enrollment: Member's and dependents' names, address, birth date, gender, and an identifier such as an employee ID. When social security numbers are used for enrollment, we mask all but the last four digits.

In addition, ARAG:

- Oversees a separation of duties across the organization.
- Has corporate and IT security programs in place with employees who are trained on these policies annually.
- Has a data privacy policy in place that is consistently enforced and addresses data access, data encryption, data transmission, data storage, data disposal, personal information usage and production data used in test files.



- Reviews and audits our technology and procedures on a regular basis by both internal staff and external resources to ensure that we continue to provide the highest levels of security for all data.
- Strongly encourages employers to use employee identifiers instead of Social Security numbers to enroll employees.
- Issues each member a unique 12-digit member identification number.
- Grants access to systems containing member data only to those associates with a demonstrated need. Controls are in place to ensure that rights are not granted without appropriate manager approval.
- Encrypts all data in transit using TLS 1.2 and all data at rest using a FIPS 140 compliant algorithm to mitigate the risk of confidential information being compromised. ARAG uses SFTP sites, we utilize SSL certificates to ensure encryption of information between the server and the client browser.
- Uses strong web authentication that requires passwords to be at least eight characters long with at least one number or special character; the passwords cannot be the same as the user name.
- Requires all ARAG employees undergo background checks prior to employment and periodically during their tenure with the organization.
- Performs periodic control testing as part of our internal audit process to ensure compliance with our security policy.
- Manages access controls supported by an extensive authentication process for verifying login information and requires stringent password standards.

These policies and control procedures are in accordance with industry best practices and the Gramm-Leach-Bliley Act (regarding the privacy of member and client data) and have been implemented primarily to protect and safeguard employee and member data.

Please see the attached Appendix B – IT Security Policy_ARAG.

Plan Design

- 4.5 Contractor shall, at a minimum, offer the same Pre-Paid Legal Plan benefits in accordance with the current legal plan (Exhibit 2) and shall be available, at a minimum, one time per calendar year per individual.**

Agreed.

The coverage included with this offer (Match Plan) includes the same legal plan benefits requested in Exhibit 2. There is no limit on how many times a benefit can be used per calendar year per individual.

In addition, ARAG is offering an Enhanced Plan that includes the same legal plan benefits included in the Match Plan. It offers several additional coverages as detailed in Attachment 10. There is no limit on how



many times additional benefits can be used per calendar year per individual with the exception of Caregiving Services – Annual Check Up coverage, one of the new coverages being offered. This benefit provides legal services for a member and a parent/grandparent to meet with an attorney on an annual basis. This annual meeting is to discuss the legal needs of the parent/grandparent and discuss any changes in his or her situation and potential legal implications. This benefit can be used once per family per certificate year.

- 4.6 The proposed plan shall not allow Covered Person's or Covered Person's dependents to use the services available through a contracted firm providing the Group Legal Plan to take legal action against the City of Austin.**

Agreed.

This is specifically excluded by our policy. ARAG's legal plan does not cover claims against the City of Austin including, but not limited to, wrongful termination, workers' compensation, etc.

- 4.7 The plan may not include provisions, which might exclude certain Covered Person's from coverage for any reason.**

Agreed.

ARAG's plan does not discriminate by excluding certain Covered Persons from coverage.

Eligibility

- 4.8 The City determines eligibility and the Contractor agrees to abide by the City's policies and procedures regarding eligibility and effective dates for all Covered Persons. See Exhibit 3 – 2018 Employee Benefits Guide for eligibility information.**

Agreed.

The City of Austin will continue to make decisions regarding dependent eligibility and effective dates for all Covered Persons. ARAG leaves these decisions up to each employer.

- 4.9 A Conversion policy shall be available to all Covered Persons If a Covered Person terminates employment, he/she shall be entitled to convert coverage to an individual policy. This conversion right shall also apply to dependents that cease to be insured because the Covered Person has terminated, retired, died, or is no longer eligible. The City shall not be charged for conversion fees.**

Agreed.



If a covered person terminates employment or is no longer eligible for coverage, we offer the member and his/her covered dependents a choice of two comprehensive, covered-in-full conversion plans. The plans will be similar, but may not be identical, to that offered by City of Austin. Members may continue the plan for as long as they choose to remain enrolled; ARAG does not set a minimum or maximum period of enrollment.

If a named insured dies, insured dependents can continue to rely on our coverage — without paying a premium — for one year after the named insured's death or until the employer's policy ends, whichever is earlier. We look to the enrollment report to notify us of the situation so we can contact family members. When the coverage ends, dependents may continue with a conversion policy.

4.10 Coverage shall include married and unmarried dependent children and dependent grandchildren up to age twenty-six (26) that the City determines eligible.

Agreed.

ARAG will continue to follow the City's eligibility guidelines for coverage of married and unmarried dependent children and dependent grandchildren up to age 26.

4.11 Coverage shall include domestic partners and children of domestic partners that the City determines eligible.

Agreed.

ARAG will continue to follow the City's eligibility guidelines for coverage for domestic partners and their children.

4.12 Contractor shall be able to assign an identifier other than the Covered Persons' social security number.

Agreed.

To protect personally identifiable information, ARAG issues each member a unique 12-digit member identification number which is printed on member identification cards.

4.13 Contractor shall be able to accept enrollment information electronically every pay period in the 834-file layout format required by HIPAA. The Contractor shall work with City's Third Party Administrator (TPA) vendor regarding file layout and transmittal of file. Error reports shall be provided to the City and its TPA vendor. The TPA vendor is CompuSys/Erisa Group Inc.

Agreed.



ARAG currently accepts the City's enrollment information electronically each pay period in the 834-file layout format. After every file is processed, a confirmation email is sent to the TPA summarizing the transaction. This confirmation email can also go to the City if they provide an email address. Should an error occur, an ARAG analyst will send personalized emails to the City and its TPA vendor after conducting thorough research.

- 4.14 Contractor shall maintain eligibility and claims records/history on each Covered Person. Electronic and/or paper copies of enrollment/change forms should be maintained and made available to the City upon request.**

Agreed.

ARAG maintains eligibility and claim records/history on each Covered Person. We will maintain copies of enrollment/change forms and make available to the City upon request.

Transition and Implementation Timeline

- 4.15 Within 30 days of contract award, the Contractor shall meet with the City to finalize the plan design, administrative procedures, and expectations. Within thirty (30) days of the meeting, the Contractor shall provide the City with three (3) hardcopies of an administrative manual detailing the plan design, administrative procedures, and expectations as agreed upon during the meeting.**

Agreed.

ARAG will meet with the City of Austin within 30 days of the contract award to finalize plan design, administrative procedures, and expectations. Within thirty (30) days of the meeting, we will provide the City with three hardcopies of an administrative manual detailing the plan design, administrative procedures, and expectations as agreed upon during the meeting.

- 4.16 Contractor shall provide training and education sessions for City staff (approximately 10 employees) concerning all facets of program administration within the first thirty (30) days of contract execution.**

Agreed.

To provide City of Austin staff with an understanding of all facets of program administration, ARAG client management staff will provide training sessions for City staff members. We will conduct training within the first 30 days of the contract execution.



- 4.17 Contractor shall prepare for and attend all employer-requested meetings and presentations. This includes approximately 90 presentations during the annual Open Enrollment period. Open Enrollment occurs during mid-October through mid-November of each year.**

Agreed.

To help City employees make informed decisions, ARAG provides trained representative(s) for onsite employee meetings and benefit fairs. If helpful, we can also provide web-based enrollment meetings.

- 4.18 Contractor shall file and obtain approval by the Texas Department of Insurance for any agreed upon modifications by September 17, 2018.**

Agreed.

For any agreed upon modifications, ARAG agrees to file with and obtain approval from The Texas Department of Licensing and Regulation by August 1, 2018.

- 4.19 Contractor shall prepare and deliver approximately 6,000 Open Enrollment materials, as specified by the City, by the second Friday of September for each plan year. The City prefers that the enrollment materials be printed on recycled paper in accordance with EPA guidelines.**

Agreed.

ARAG will prepare and deliver approximately 6,000 Open Enrollment materials as specified by the City by the second Friday of September each plan year.

- 4.20 Customer Service line shall be operational by 7:30 a.m., Monday, October 15, 2018.**

Agreed.

As the City of Austin's current legal provider, there would be no disruption in services; our representatives would be prepared to answer any questions about changes that the City decides to make to its current plan by 7:30 a.m. Central time on October 15, 2018.

- 4.21 Open Enrollment eligibility files shall be loaded in the Contractors system by November 30, 2018. Contractor shall work with the City's TPA to obtain current eligibility data to upload in Contractor's eligibility system and be operational January 1, 2019.**

Agreed.



ARAG will work with the City's TPA to obtain current eligibility data so that the most current enrollment information is uploaded by January 1, 2019.

4.22 Annual ID cards, if applicable, shall be received by Covered Persons on or before December 31st of each year.

Agreed.

As the City of Austin's current legal provider, ARAG will mail two identification cards to all new members' homes at no additional cost. New members will receive the cards by December 31 of each year if ARAG receives the City of Austin's enrollment file by December 10 of each year.

Members can also access and print their identification cards from ARAGLegalCenter.com and our mobile app.

4.23 Contractor shall be fully operational, including ability to verify eligibility; verify benefits; and process claims, as of 12:01 a.m. on January 1, 2019.

Agreed.

To help members begin using their legal plan right away, we upload all information by January 1. Although our office is closed on January 1, members will be able to:

- Login to ARAGLegalCenter.com to access documents and other resources. Some resources are also available to those eligible employees who choose not to enroll in the City's ARAG legal plan.
- Call our toll-free Customer Care line for emergency assistance. If the situation to be a qualified emergency, the member is advised to stay by the phone and wait for an attorney's call.

ARAG's claim system receives electronically submitted claims on January 1 and other holidays.

4.24 The Contractor shall meet the same timeline requirements for each annual benefit period.

Agreed.

ARAG will meet the same timeline requirements each annual benefit period.



Communication

- 4.25 Contractor shall provide all required written employee communication materials including, but not limited to: enrollment materials, certificates of coverage, provider directories, and member identification cards. All materials and communications shall be approved by City staff prior to distribution and formatted in easy to understand language. The cost of these materials shall be included in proposed rates.**

Agreed.

ARAG provides materials that work with your plan for ongoing communications, including, but not limited to, enrollment materials, certificates of coverage, provider directories, and member identification cards. All materials and communications shall be approved by City staff before distribution and formatted in an easy-to-understand language. The cost of these materials is included in our proposed rates.

- 4.26 Contractor shall mail ID cards and Certificates of Coverage to covered persons home address. This includes open enrollment, replacement cards, and cards for new enrollees throughout the plan year. All costs, including postage, shall be included in the Proposer's proposed rates.**

Agreed.

ARAG mails all new members a new member packet with identification cards; the packet directs members to login to the ARAG Legal Center, where members can access an online Certificate of Coverage in a PDF format to access and print. We will mail a Certificate of Coverage to a member upon request. Replacement cards will also be mailed upon request. The costs are included in our proposal.

Please see Appendix C – New Member Welcome Kit Sample.

- 4.27 Contractor shall, upon request, provide the City and employees with hardcopy directories of Network Providers. Telephonic and Internet access to network providers shall be available in addition to the directories.**

Agreed.

In addition to providing hard copy directories upon request and access to online directories that are updated daily, ARAG members can access a list of current Network Attorneys using our mobile app.



By the end of first quarter 2018, this app will provide ratings and reviews (when available) of our Network Attorneys based on information received from member survey responses. This function will also be added to our website Attorney Finder later this year.

Members can also contact Customer Care by phone for a list of Network Attorneys in their area who practice in the desired area of law.

System, Reporting, and Financial Analysis

4.28 Contractor shall have a disaster recovery program in place to ensure the integrity of data in case of a disaster.

Agreed.

Please note the following information regarding ARAG security procedures is Confidential.

ARAG maintains and continuously reviews a comprehensive business continuity plan (BCP) and disaster recovery plan (DRP) and completes two DRP/BCP exercises each year. In addition, our disaster recovery restore functions are tested weekly when we rebuild our UAT and test environments.

In addition to identifying the potential threats that may impact critical business functions, these plans are designed to:

- Act as a centralized repository for the information, tasks, and procedures necessary to ensure a timely response to any disruptive or extended interruption of ARAG's normal business operations and services.
- Provide a flowchart of the company emergency response process and outline the roles and responsibilities of key decision makers and team members.
- Address the critical aspects of establishing communications, conducting building evacuations, relocation efforts, and supplemental staffing needs.
- Identify and prioritize the resumption for critical business functions, as well as determine alternate methods of performing critical processes.
- Determine recovery time objectives for critical functions, which include certain administrative functions, claims, access to certain systems, etc.

The BCP identifies our critical business functions and outlines how the corresponding processes will continue to operate in various scenarios. It also identifies members of the emergency operations team and the procedures this team uses to assess, mitigate, and recover from a disruption to normal business operations.



In addition, ARAG's BCP contains a communication plan that:

- Would be used to notify the various stakeholders of the situation.
- Outlines emergency procedures such as building evacuation and relocation.
- Contains a supplemental staffing plan that would be needed in scenarios such as a pandemic or natural disaster that could reduce the number of employees available to work.

One of the key elements of the DRP is the identification of ARAG's critical IT systems and details the technical processes for recovering these applications and systems. ARAG's critical IT systems are housed in an outsourced state-of-the-art data center that is SSAE 16 compliant. ARAG strives to build redundancy into all critical systems.

Housing the critical IT systems in an outsourced data center gives ARAG the capability to perform the majority of its critical business processes remotely if the office building is unavailable.

Both plans are tested periodically. Due to confidential and proprietary information contained within the plan documents, only limited information can be shared outside of ARAG; however, we invite you to request more information or contact us if you have additional questions.

4.29 Contractor shall provide monthly eligibility and utilization reports and other reports as required by the City by the 10th business day of the following month

Agreed.

If awarded, ARAG will work with the City of Austin to determine the most appropriate reports to create value for the relationship. ARAG currently provides quarterly Case Confirmation Reports and an Annual Report.

4.30 Contractor shall provide quarterly and annual reports within sixty (60) days after the end of the reporting period.

Agreed.

If awarded, ARAG will work with the City of Austin to determine the most appropriate reports to create value for the relationship. ARAG currently provides quarterly Case Confirmation Reports and an Annual Report.

4.31 Contractor shall be able to provide at a minimum, similar reports as shown in Exhibit 4, ARAG Utilization Report (2013 - 2016).

Agreed.



ARAG can provide Utilization Reports (as shown in Exhibit 4); we currently provide this report to the City of Austin on an annual basis.

In addition, ARAG provides the City of Austin with an Annual Report. The ARAG Annual Plan Report package includes the following information to help with future benefit decisions and plan changes to provide a benefit that continues to meet employees' needs:

- Plan performance - participation and utilization
- Plan design and overview
- Client and participant satisfaction survey results
- ARAG performance results regarding Customer Care

If the City of Austin has additional needs, the client manager — Lola Ngatia — is available to identify appropriate reports.

Please see Appendix D – 2016 Annual Report_City of Austin.

Rates and Premium Amounts

4.32 Contractor shall provide rates for two categories: Employee Only, Employee and Family.

Agreed.

ARAG has provided rates for the following two categories: 1) Employee Only; 2) Employee and Family.

4.33 Contractor shall provide rates based on the Covered Person paying the full cost.

Agreed.

ARAG rates assume that the Covered Person is paying the full cost of the legal plan.

4.34 Contractor shall guarantee rates for the entire sixty (60) month term regardless of actual enrollment.

Agreed.

ARAG guarantees rates for the entire sixty-month term, regardless of actual enrollment, from 1/1/2019–12/31/2023.



- 4.35 Contractor agrees that all costs for requirements listed in this RFP, shall be included as part of the Contractor's basic rate; and inclusive of labor, materials, supplies, printing, postage, travel, and all costs and fees including administrative burden for providing the Pre-paid Legal program.**

Agreed.

All costs are included in the rates offered by ARAG, including labor, materials, supplies, printing, postage, travel, and administrative costs and fees.

- 4.36 Contractor shall not change benefits or rates for the term of this contract without prior City approval. Any changes recommended for any renewal period shall be approved and agreed upon in advance and in writing by the City.**

Agreed.

ARAG will not change benefits or rates for the term of this contract without consulting with the City and receiving the City's approval. To make sure the City of Austin coverage remains current and matches with the needs of your employees, your client manager — Lola Ngatia — will continue to review potential coverage updates with you.

- 4.37 City will calculate monthly fees owed to the Contractor for Covered Person's using enrollment information received from the City's TPA that includes the first day of each month. Contractor shall honor the enrollment dates of employees who enroll after the first day of each month. Contractor shall be paid for these Covered Persons beginning the following month.**

Agreed.

The City of Austin will calculate monthly fees using enrollment information from its TPA that includes the first day of each month. ARAG will continue to honor the enrollment dates of employees who enroll after the first day of each month, and ARAG will be paid for these Covered Persons beginning the following month.

- 4.38 The City's payment for all Covered Persons will be made to the Contractor by check no later than the last day of the following month for which payment is being made. The City's payment will be considered made on the payment postmark date.**

Agreed.

The City's payment will be made to ARAG no later than the last day of the following month for which payment is being made. ARAG will consider the payment made based on the payment postmarked date.



- 4.39 Contractor is responsible for reconciling the account monthly and notifying the City of any questions or discrepancies within 15 days of receipt of payment. If the Contractor fails to remain current with the monthly reconciliation report the Contractor shall assume the liability for lost revenue.**

Agreed.

ARAG is responsible for reconciling the account monthly and notifying the City of questions or discrepancies within 15 days of receipt of payment; if we fail to remain current with the monthly reconciliation report, ARAG will assume the liability for lost revenue.

The City should continue to email remittance correspondence to Premium.Coordinator@ARAG Legal.com.

Customer Service

- 4.40 Contractor shall provide a toll-free number and a text telephone line.**

Agreed.

ARAG provides a toll-free number (800-247-4184). In addition, ARAG has a TTY line (800-383-4184) for the hearing impaired. Both numbers are found on members' personalized identification cards.

- 4.41 Contractor shall have customer service staff available to answer questions Monday through Friday from 7:30 a.m. to 5:00 p.m. Central Time.**

Agreed.

ARAG offers the extended service hours of **7 a.m. to 7 p.m. Central time, Monday through Friday**, by calling the number found on members' personalized identification cards.

A member can call one of ARAG's in-house Customer Care Center Specialists to share concerns, receive answers to coverage questions, locate Network Attorneys, and get advice on the most appropriate covered service for their situation. Members can be transferred to speak with an attorney by phone between the hours of 9 a.m. to 5 p.m. in their respective time zone but each attorney's office may work extended hours and be available before or after that time.

For members who prefer to submit questions online, we offer a web-based tool that registered members may access via the ARAGlegalcenter.com or they can also send an email via



Service@ARAGLegal.com. A Customer Care Specialist will respond — using the member's preferred method of contact — within eight business hours.

In addition, members and eligible employees may also use our web Chat functionality after accessing ARAGLegalCenter.com to interact with a Customer Care Specialist.

Outside of ARAG's Regular Business Hours

By partnering with a customer call service, ARAG is able to provide legal support 24 hours a day, 7 days a week. If a member has an emergency legal situation outside of our business hours, the caller is routed to the after-hours service. If determined to be one of the following emergency situations, the member is transferred to a Network Attorney's cell phone; in most cases, connections are made immediately.

- Threatened incarceration
- Immediate eviction
- Violation of a restraining order
- Violation of a custody order

If the situation is not an emergency, the member may leave a message which we will promptly return during business hours, or the member may call ARAG the next business day.

4.42 Contractor shall answer customer service calls on average within 30 seconds.

Agreed.

ARAG's standard is to answer calls on average within 30 seconds. In 2017, our average speed of answer was 22.9 seconds.

4.43 The City requires that the Contractor respond to customer service calls within 24 hours of receipt of a call, and customer complaints regarding the plan be handled and resolved within 48 hours of receipt of a complaint. The City shall be notified if additional time is required to resolve an inquiry/complaint.

Agreed.

To provide the service your employees expect, ARAG responds to customer service calls within 24 hours of receipt and to complaints within 48 hours of receipt.



4.44 Contactor's customer service should include, at a minimum; verification of eligibility and benefits; claims inquires; problem resolution; plan education; and provider information. Complaints regarding the Group Pre-paid Legal Plan made by Covered Persons to the City shall be monitored and reported to the Contractor upon occurrence as well in a quarterly review.

Agreed.

ARAG's Customer Service:

- Verifies eligibility and benefits
- Answers questions about claims.
- Resolves problems or concerns.
- Educates all employees about plan coverages.
- Provides Network Attorney information.

When enrolled employees call with a legal need, Specialists:

- Take time to understand members' situations.
- Describe plan benefits and covered situations.
- Walk through different coverage options to ensure members receive the right services.
- Send a list of Network Attorneys, an appointment preparation checklist, and a form to help the Network Attorney understand a member's plan design.

We manage our Customer Care Center in-house; we believe this is one reason our Customer Care Specialists average more than 6 years of experience. We also credit our employees' desire to make a difference in our members' lives.

Business Organization

4.45 Contractor shall have a minimum of one (1) year public sector experience similar in size and scope to the City of Austin and currently have public sector clients.

Agreed.

Since our beginning, ARAG has worked with the public sector and large group employers and considers both to be core segments of our business.

ARAG has been the legal provider for City of Austin since 2013.

We currently provide legal plans to more than 100 public sector employers including national, state, and local government organizations. We currently serve 10 public sector clients that have more than 9,500 eligible employees or more.



4.46 Contractor shall be registered in the State of Texas. Provide a copy of your Texas registration with your offer.

Agreed.

See Appendix E – Texas Certificate of Registration_ARAG.

ATTACHMENT 1
HIPAA BUSINESS ASSOCIATE AGREEMENT
Request for Proposal Number: RFP 5800 KD3002
Group Pre-Paid Legal Plan

The City of Austin ("City") and ARAG Services, LLC ("Contractor") hereby agree that the following terms and conditions are made a part of the Agreement, to go into effect on January 1, 2019 (such contract and this Attachment are collectively referred to herein as "Contract"), for all purposes. The parties acknowledge that this HIPAA Business Associate Agreement is required by the federal Health Insurance Portability and Accountability Act of 1996 ("HIPAA").

The parties acknowledge and agree that Contractor, in performing its duties under the Contract, will receive individually identifiable protected health information as defined in Section 14 below (referred to as "Protected Health Information" or "PHI"), from City and from City's contractors or enrollees, and will create, receive or use PHI on the City's behalf. Contractor agrees to maintain the privacy and security of such PHI as required by all applicable laws and regulations, including but not limited to HIPAA and the privacy and security regulations adopted under HIPAA. Without limiting the foregoing, Contractor agrees to the following:

1. **Use of PHI:** Contractor shall not and shall ensure that its directors, officers, employees, contractors, and agents (referred to collectively as "Contractor's Agents") do not use PHI other than as expressly permitted by the Contract, or as required by law. Specifically, Contractor shall use PHI only for the following purposes: receive and process claims for payment for all eligible Plan participants; maintain claims history and patient profiles; maintain current eligibility data on all Plan participants; and for the proper management and administration of its internal business processes that relate to its responsibilities under the Contract, and to fulfill its legal responsibilities. In addition, Contractor agrees that it will not sell PHI, including patient or enrollee lists, nor use any PHI to engage in "marketing," as such term is defined in Section 164.501 of Title 45, U.S. Code of Federal Regulations. The term "marketing" includes, but is not limited to, the distribution of or mailing by Contractor or its affiliates of correspondence to City enrollees or their beneficiaries.
2. **Disclosure of PHI:**
 - a. *Disclosure to Third Parties.* Contractor shall not and shall ensure that Contractor's Agents do not disclose PHI to any other person or entity (other than members of Contractor's workforce as specified in subsection b. of this Section), unless disclosure is required by law, and as approved by City in writing. Any such disclosure shall be made only upon the written agreement of the subcontractor to be bound by the provisions of the Contract, for the express benefit of Contractor and City.

To the extent that Contractor discloses PHI to a third party, Contractor must obtain, prior to making any disclosure:

1. reasonable assurances from such third party that PHI will be held confidential as provided in the Contract, and only disclosed as required by law or for the purposes for which it was disclosed to such third party; and
 2. an agreement from such third party to immediately notify Contractor of any breaches of the confidentiality of PHI, to the extent it has obtained knowledge of such breach.
- b. *Disclosure to Workforce.* Contractor shall not disclose PHI to any member of its workforce unless Contractor has advised such person of Contractor's obligations under the Contract, and of the consequences for such person and for Contractor of violating them. Contractor shall take appropriate disciplinary action against any

ATTACHMENT 1
HIPAA BUSINESS ASSOCIATE AGREEMENT
Request for Proposal Number: RFP 5800 KD3002
Group Pre-Paid Legal Plan

member of its workforce who uses or discloses PHI in contravention of this Contract.

3. **Safeguards:** Contractor shall implement all appropriate safeguards to prevent use or disclosure of PHI other than as permitted by the Contract. Contractor shall provide City with such information concerning the safeguards as City may from time to time request and shall, upon reasonable request, give City access for inspection and copying to Contractor's facilities used for the maintenance and processing of PHI, and to its books, records, practices, policies, and procedures concerning the use and disclosure of PHI. In addition, Contractor and Contractor's Agents shall comply with the minimum necessary requirements set forth in the HIPAA privacy regulations when using or disclosing PHI. Contractor also agrees to mitigate, to the extent possible, any harmful effects of an improper use or disclosure of PHI by Contractor in violation of the requirements of the Contract.
4. **Accounting of Disclosures:**
 - (a) Contractor shall maintain a record of all PHI disclosures made other than for the permitted purposes of the Contract, including the date of disclosure, the name and, if known, the address of the recipient of the PHI, a brief description of the PHI disclosed, and the purposes of the disclosures.
 - (b) Within ten (10) calendar days of notice by City to Contractor that City has received a request for an accounting of disclosures of PHI regarding an individual, Contractor shall make available to City such information as is in Contractor's possession and is required for City to make the accounting.
5. **Reporting of Disclosures of Protected Health Information:** Contractor shall, within five (5) business days (Monday - Friday) of becoming aware of a use or disclosure of PHI in violation of this Contract by Contractor or Contractor Agents, report such disclosure or use in writing to Chris Echols in the Employee Benefits Division of the City's Human Resources Department and describe remedial action taken or proposed to be taken with respect to such use or disclosure.
6. **Contracts by Third Parties:** Contractor shall enter into an agreement with any agent or subcontractor that will have access to PHI that is received from, or created or received by Contractor on behalf of City, in which such agent or subcontractor agrees to be bound by the same restrictions, terms, and conditions that apply to Contractor under this Contract.
7. **Disclosure to U.S. Department of Health and Human Services:** Contractor shall make its internal practices, books and records, including policies and procedures, relating to the use and disclosures of PHI available to the Secretary of the United States Department of Health and Human Services, for purposes of determining compliance with HIPAA.
8. **Access by Individuals:** Within ten (10) calendar days of receipt of a request by City, Contractor shall permit any individual whose PHI is maintained by Contractor to have access to and to copy his or her PHI, in the format requested, unless it is not readily producible in such format, in which case it shall be produced in hard copy format. In the event any individual requests access to PHI held by Contractor directly from Contractor, Contractor shall, within two (2) days forward such request to City. Any denial of access to the PHI requested shall be the responsibility of City.

ATTACHMENT 1
HIPAA BUSINESS ASSOCIATE AGREEMENT
Request for Proposal Number: RFP 5800 KD3002
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9. **Correction of PHI:** Contractor agrees to make any amendments to PHI that the City directs or agrees to under HIPAA. City shall provide Contractor with written instructions regarding any such amendment.
10. **Amendment:** Upon the enactment of any law or regulation affecting the use or disclosure of PHI, or the publication of any decision of a court of the United States or Texas relating to any such law, or the publication of any interpretive policy or opinion of any governmental agency charged with the enforcement of any such law or regulation, City may, by written notice to Contractor, amend this Contract in such manner as City determines necessary to comply with such law or regulation. If Contractor disagrees with any such amendment, it shall so notify City in writing within thirty (30) days of the date of the notice. If the parties are unable to agree on an amendment within thirty (30) days thereafter, either of them may terminate the Contract upon written notice to the other.
11. **Breach:** Without limiting the rights of the parties under Section 8.0 of the Contract, should Contractor breach any of its obligations under this Amendment, City may, at its option:
 - a. Exercise any of its rights of access and inspection under Section 3 of this Contract;
 - b. Provide Contractor with notice of the breach and an opportunity to cure such breach within thirty (30) calendar days of the notice of breach. If Contractor fails to cure the breach to City's satisfaction within such cure period, City may terminate the Contract by providing written notice to Contractor. If Contractor cures the breach within the cure period, City may require Contractor to submit to a plan of monitoring and reporting of uses and disclosures of PHI, as City may determine necessary to maintain compliance with this Amendment. Any such monitoring plan shall be made a part of the Contract;
 - c. Immediately terminate the Contract, with or without an opportunity to cure the breach; or
 - d. If termination is not feasible, report the breach to the Secretary of the United States Department of Health and Human Services.

City's remedies under this section and Section 8.0 of the Contract shall be cumulative, and the exercise of any remedy shall not preclude the exercise of any other.
12. **Procedure Upon Termination.**
 - (1) Except as provided in paragraph (2) below, upon termination of the Contract, for any reason, Contractor shall return or destroy all PHI received from City, or created or received by Contractor on behalf of City. This provision shall also apply to PHI that is in the possession of subcontractors or agents of Contractor. Contractor shall retain no copies of the PHI.
 - (2) In the event that Contractor determines that returning or destroying the PHI is not feasible, Contractor shall provide to City written notification of the conditions that make return or destruction infeasible. Upon agreement by City that return or destruction of PHI is not feasible, Contractor shall extend the protections of this Contract to such PHI and limit further uses and disclosures of such PHI to those purposes that make the return or destruction infeasible, for so long as Contractor maintains the PHI.

ATTACHMENT 1
HIPAA BUSINESS ASSOCIATE AGREEMENT
Request for Proposal Number: RFP 5800 KD3002
Group Pre-Paid Legal Plan

13. **Indemnification.** Contractor shall indemnify and hold harmless City from and against any and all costs, liabilities, losses, damages and expenses (including, but not limited to, reasonable attorneys' fees) resulting from any claim, lawsuit or proceeding brought by a third party against City and arising from or related to a breach or alleged breach by Contractor or Contractor's Agents of the obligations referenced herein. Contractor's obligation to indemnify shall survive the expiration or termination of the Contract.
14. **Definitions for Use in this Addendum:**
- (a) *Individually Identifiable Health Information* shall mean information that is a subset of health information, including demographic information collected from an individual, that:
- (i) is created or received by a health care provider, health plan, employer, or healthcare clearinghouse; and
- (ii) relates to the past, present, or future physical or mental health or condition of an individual; the provision of healthcare to an individual; or the past, present, or future payment for the provision of healthcare to an individual; and (a) identifies the individual, or (b) with respect to which there is a reasonable basis to believe the information can be used to identify the individual.
- (b) *Protected Health Information* shall mean Individually Identifiable Health Information that is (i) transmitted by electronic media; (ii) maintained in any medium constituting electronic media; or (iii) transmitted or maintained in any other form or medium.

"CITY"

CITY OF AUSTIN, A Home Rule Municipality

Signature: _____

Printed Name: _____

Title: _____

"CONTRACTOR"

Signature:  _____

Printed Name: Ann Cosimano

Title: General Counsel

ATTACHMENT 2
EXCEPTIONS TO THE SOLICITATION
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

Name of Company: ARAG Services, LLC

Be advised that exceptions to any portion of this Solicitation may jeopardize acceptance of the Proposal. The Proposer must clearly indicate each exception taken and indicate the alternative language along with the business need for the alternative language. The failure to identify exceptions or proposed changes with a full explanation will constitute acceptance by the Proposer of the Solicitation as proposed by the City. The City reserves the right to reject a Proposal containing exceptions, additions, qualifications or conditions not called for in the Solicitation.

Section	Proposed Alternative
Communication: 4.26	ARAG mails all new members a new member packet with identification cards; the packet directs members to login to the ARAG Legal Center, where members can access an online Certificate of Coverage in a PDF format to access and print. We will mail a Certificate of Coverage to a member upon request.

ATTACHMENT 3
CUSTOMER SERVICE INFORMATION
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

NAME OF COMPANY: ARAG Services, LLC

Question	Response
Total number of Customer Service Representatives (CSR)?	41 CSRs, 1 Customer Advocate, 4 Supervisors
Number of CSR staff to service the City?	41 CSRs, 1 Customer Advocate, 4 Supervisors
Number of CSRs that speak Spanish?	No CSRs currently speak fluent Spanish. We participate in the TransPerfect Language Line Interpreting Services program to enable Customer Care Specialists to communicate in more than 170 languages. In most cases, we are connected to an interpreter in 60 seconds or less.
Target ratio of CSRs to enrolled participants?	Our current ratio is 1:15,100.
Average daily number of incoming calls?	1,433
Average daily number of calls per CSR?	49
Average "hold time" before a CSR is available?	22.9 seconds
Describe after hours emergency access. Provide the 1-800 number that would be available for employees.	<p>Emergency access is available 24/7 via Customer Care number of 800-247-4184. If a member has one of the following emergencies, he or she is transferred to a Network Attorney.</p> <ul style="list-style-type: none"> • Threatened incarceration <ul style="list-style-type: none"> • Immediate eviction • Violation of a restraining order • Violation of a custody order
Total number of grievances filed within the last 12 months against participating attorneys? Number pending? Number resolved?	None

ATTACHMENT 3
CUSTOMER SERVICE INFORMATION
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

What on-line services are available (i.e., email inquiries, claim status, provider directory, replacement ID cards, plan provisions, etc.)	<p>For all eligible employees: Online tools, links, and resources to help them make informed decisions.</p> <p>For members: Email; online chat; detailed Attorney Network directory that's updated daily; replacement ID cards; online certificate of coverage; legally-valid DIY Docs.</p> <p>For clients: View, add, edit, and change status of employees; send emails; view and print invoices; review plan documents; access a variety of communications to build plan awareness.</p>
Do you issue an ID card per employee or each covered person?	<p>We issue and mail 2 ID cards per enrolled employee. More can be requested or printed from ARAGLegalCenter.com. Members can also access their ID card from our mobile app.</p>
Abandonment Rate	<p>2015 3.15%</p>
Abandonment Rate	<p>2016 2.0%</p>
	<p>2017 2.0%</p>
Member Satisfaction Level	<p>2015: 8.6 out of 10; 2016: 8.7 out of 10; 2017: 8.7 out of 10</p>
Turn over rate for Customer Service	<p>2015: 16.3%; 2016: 0%; 2017: 13%</p>

ATTACHMENT 3
CUSTOMER SERVICE INFORMATION
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

Average response time for resolving customer inquiries and complaints	98.0% of inquiries and complaints responded to on first call; emails answered within 4 business hours of receipt; 100% of escalated calls responded to within 48 business hours
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ATTACHMENT 4
ACCOUNT TEAM INFORMATION
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

COMPANY NAME: ARAG Services, LLC

Provide a one-page diagram of your account team's service hierarchy, including employer contact pathways to include resume for the proposed account team members.

ACCOUNT TEAM STAFF	RESPONSE
Name:	David Murray, President and Chief Executive officer
Location:	Des Moines, Iowa
Years with Organization:	27 years
Total Number of Accounts to Service:	9 clients
Public Sector Experience: (Yes or No and brief summary of relevant experience)	Yes. Half of David's accounts are large state government or universities. He is also the Executive Sponsor for some of our Fortune 100 companies.
Percent of time dedicated to City of Austin and their roles:	As the Executive Sponsor for the City of Austin since 2013, David provides direct access to senior management and strategic oversight of your account. To date, the City of Austin has not required intervention from David as there have been no escalated issues.
Name:	Lola Ngatia, Director of National Accounts
Location:	Tampa, Florida
Years with Organization:	15 years
Total Number of Accounts to Service:	Lola directly manages 31 accounts, including the City of Austin, and has overall strategic responsibility for approximately 78 accounts.
Public Sector Experience: (Yes or No and brief summary of relevant experience)	Yes. Lola serves as a strategist and advocate to ensure clients' benefit objectives and long-term needs are met. She develops, implements, and coordinates strategies to ensure clients and their employees are satisfied with ARAG legal insurance. Lola has worked with public sector groups for more than 15 years. Currently, Lola serves 17 public sector clients in her region. She has been serving the City of Austin since 2013.

ATTACHMENT 4
ACCOUNT TEAM INFORMATION
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

Percent of time dedicated to City of Austin and their roles:	When you reach out to your dedicated client manager, Lola Ngatia, she will provide you with her full attention until your question or issue is resolved. Lola is responsible for developing, implementing, and coordinating strategies for the City of Austin, as well as assisting with day-to-day needs and any additional concerns. Because we employ a team approach with client management, our experienced team members can help you if Lola is unavailable.
Name:	Sharyl Dilling, Regional Client Manager
Location:	Des Moines, Iowa
Years with Organization:	27 years
Total Number of Accounts to Service:	Sharyl is the primary contact or backup for approximately 157 clients.
Public Sector Experience: (Yes or No and brief summary of relevant experience)	Yes. Sharyl serves as Lola's backup for the City of Austin. Sharyl is able to assist with communications, pre-enrollment, enrollment, reporting, and day-to-day client activities. Sharyl works with 28 public sector clients and has been working with the City of Austin since 2013.
Name:	
Location:	
Years of Service with Organization:	
Total Number of Accounts to Service:	
Public Sector Experience: (Yes or No and brief summary of relevant experience)	
Percent of time dedicated to City of Austin and their roles:	

ATTACHMENT 5
BUSINESS ORGANIZATION
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

COMPANY NAME: ARAG Services, LLC**RESPONSE**

Name of Company	ARAG Services, LLC
Name of Parent Company (if applicable)	ARAG North America
Location of corporate office	500 Grand Avenue, Suite 100, Des Moines, IA 50309
Location of office servicing the contract	Des Moines, IA
Legal form of organization (corporation, partnership, non-profit, etc.)	Privately-held corporation
How long has your firm provided pre-paid legal services?	44 years in the United States; 83 years internationally
Years of operation in Texas as a Pre-Paid Legal Organization	13 years as a for-profit legal service contract company
Have you been the subject of litigation by a client or employer? List any litigation identified by complaint in the past five (5) years.	No.
Provide a disclosure of all State and Federal regulatory actions taken against your organization in the last five (5) years. Include all settlements with federal regulators, state regulators, state insurance departments, and/or Attorney General which are currently pending or have been completed in the last five (5) years.	None.
Provide a copy of your organization's Business Continuity Plan which must include a plan between the City and your company to continue services should the City's functions and operations (e.g. designated contact, hotline to customer service for employees to use, website for employees to access, etc); cease due to an unexpected event or disaster.	Please see Appendix C for our IT Security Policy, which in place for all clients.
Number of total covered lives in:	Nationwide
2015	1.17 million
2016	1.27 million
2017	1.4 million
Number of total covered lives in:	Austin/Central Texas
2015	approx. 24,000
2016	approx. 26,000
2017	approx. 32,000
Number of participating non public sector employer groups in 2017:	Nationwide 673
Number of participating non public sector employer groups in 2017:	Austin/Central Texas 8 in Austin/Central Texas; 67 total in Texas
Number of public sector employer groups in 2017	Nationwide 102
Number of public sector employer groups in 2017	Austin/Central Texas 3 in Austin/Central Texas; 11 total in Texas

ATTACHMENT 6
PERFORMANCE MEASURES LIQUIDATED DAMAGES
Request for Proposal Plan: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

COMPANY NAME: ARAG Services, LLC

All performance measures must be City-specific.

Performance Measure	Acceptable Performance	Liquidated Damages	Agree Yes/No	If No, Proposed Alternative
City's satisfaction with implementation as measured by customer line being operational and implementation timeline being met	100%	.25% of annual premium	Yes	
ID cards must be error free and received at Covered Person's mailing address on file following the Open Enrollment file transfer by 12/31 each year.	90% of the ID cards	.25% of annual premium	Yes	Assumes ARAG's receipt of City of Austin's enrollment file by December 10 of each year.
Certificate of Coverage provided within 60 days of approval from City.	100%	.25% of annual premium	Yes	
Open Enrollment materials delivered to City by the second Friday of September each year.	100%	.25% of annual premium	Yes	
Attend scheduled open enrollment meetings, as indicated in the Scope of Work.	100%	.25% of annual premium	Yes	
Employee Benefits staff satisfaction. Quarterly survey includes satisfaction with legal customer service and the assigned representative.	Average or above	.10% of annual premium on a quarterly basis.	Yes	
Provide quarterly and annual reports within sixty (60) days after the end of the reporting period.	100%	.10% of annual premium on a quarterly basis	Yes	

ATTACHMENT 7
BENEFITS AND COVERAGE AMOUNTS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

COMPANY NAME: ARAG Services, LLC

Legal Service		Current Network Attorney RATE	Current Non-Network Attorney (Indemnity Benefit) RATE	Network Attorney RATE	Non-Network Attorney (Indemnity Benefit) RATE	Proposal MEETS Current Coverage Limitation (YES) or EXCEEDS (EXPLAIN)
* Non-Network Attorney Indemnity Benefits are up to the stated amount ** Trial Indemnity Benefits are (\$300 per 1/2 day of Trial time) up to the stated amount *** Trial Indemnity Benefits are (\$400 per 1/2 day of Trial time) up to the stated amount						
1	Uncontested Adoption - Legal Services in an uncontested adoption for plan member to become adoptive parent(s). (In international adoptions, where a foreign attorney is necessary, you are eligible to receive indemnity reimbursement in addition to the benefits available in the United States)	PAID IN FULL	\$400*	Paid in Full	\$400*	YES
2	Contested Adoption - Legal Services in a contested adoption for plan member to become adoptive parent(s). (In international adoptions, where a foreign attorney is necessary, you are eligible to receive indemnity reimbursement in addition to the benefits available in the United States)	PAID IN FULL	\$800*	Paid in Full	\$800*	YES
2a	Trial for (3) days or less	PAID IN FULL	\$1800**	Paid in Full	\$1800**	YES
2b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
3a	Bankruptcy - Chapter 7: Legal services for a plan member up to and including filing of a Chapter 7 bankruptcy final report	PAID IN FULL	\$880*	Paid in Full	\$880*	YES
3b	Bankruptcy - Chapter 13: confirmation of a Chapter 13 bankruptcy and including post-confirmation amendments	PAID IN FULL	\$1,200*	Paid in Full	\$1,200*	YES
4a	Uncontested Child Support Enforcement - Legal Services for a plan member for an uncontested motion by you to enforce a final decree for child support	PAID IN FULL	\$320*	Paid in Full	\$320*	YES

Exhibit C

ATTACHMENT 7
BENEFITS AND COVERAGE AMOUNTS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

Legal Service		Current Network Attorney RATE	Current Non-Network Attorney (Indemnity Benefit) RATE	Network Attorney RATE	Non-Network Attorney (Indemnity Benefit) RATE	Proposal MEETS Current Coverage Limitation (YES) or EXCEEDS (EXPLAIN)
* Non-Network Attorney Indemnity Benefits are up to the stated amount ** Trial Indemnity Benefits are (\$300 per 1/2 day of Trial time) up to the stated amount *** Trial Indemnity Benefits are (\$400 per 1/2 day of Trial time) up to the stated amount						
Item #						
4b	Contested Child Support Enforcement - (8 hours) Legal services for a plan member for a contested motion by you to enforce a final decree for child support	PAID IN FULL	\$640*	Paid in Full	\$640*	YES Up to 8 paid-in-full hours per covered event; Reduced Fee Benefit available from a Network Attorney beyond 8 hours
5	Defense of Civil Damage Claims - Legal services for a plan member in defense against civil damage(s) claims, except those involving the ownership or use of a motorized vehicle, claims which are covered by other insurance, or claims related to felony charges	PAID IN FULL	\$800*	Paid in Full	\$800*	YES
5a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
5b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
6	Consumer Protection - Legal services for a plan member as a plaintiff or defendant regarding written, verbal or implied contracts or warranties relating to consumer goods or services and/or residential contractor disputes.	PAID IN FULL	\$800*	Paid in Full	\$800*	YES
6a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
6b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
7	Credit Records Correction - Legal services for a plan member related to correcting inaccuracies or misrepresentations on your credit record	PAID IN FULL	\$160*	Paid in Full	\$160*	YES
8	Defense of Debt Collection - Legal services for a plan member as the defendant in a legal dispute related to consumer goods or services	PAID IN FULL	\$480*	Paid in Full	\$480*	YES
8a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
8b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES

ATTACHMENT 7
BENEFITS AND COVERAGE AMOUNTS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

	Legal Service	Current Network Attorney RATE	Current Non-Network Attorney (Indemnity Benefit) RATE	Network Attorney RATE	Non-Network Attorney (Indemnity Benefit) RATE	Proposal MEETS Current Coverage Limitation (YES) or EXCEEDS (EXPLAIN)	
Item #	* Non-Network Attorney Indemnity Benefits are up to the stated amount						
	** Trial Indemnity Benefits are (\$300 per 1/2 day of Trial time) up to the stated amount						
	*** Trial Indemnity Benefits are (\$400 per 1/2 day of Trial time) up to the stated amount						
	9	Uncontested Divorce - Legal services for the named plan member in an uncontested divorce, a legal separation and/or an annulment of marriage	PAID IN FULL	\$640*	Paid in Full	\$640*	YES
	10	Contested Divorce - 25 hours (per covered event) Legal services for the named plan member in an uncontested divorce, a legal separation and/or an annulment of marriage	PAID IN FULL	\$2,000*	Paid in Full	\$2,000*	YES Up to 25 paid-in-full hours per covered event; Reduced Fee Benefit available from a Network Attorney beyond 25 hours
	11	Document Preparation and Review - Legal services for a plan member for the preparation and review of Deeds, Mortgages, Promissory Notes, Affidavits, Lease Contracts, Demand Letters, and Installment Contracts	PAID IN FULL	\$40 per document	Paid in Full	\$40 per document	YES
	12	Protection from Domestic Violence - Legal services for the named plan member to obtain a protective order related to domestic violence	PAID IN FULL	\$320*	Paid in Full	\$320*	YES
	12a	Legal services for a plan member to obtain a protective court order related to domestic violence when the opposing party is not a plan member under the same Certificate	PAID IN FULL	\$320*	Paid in Full	\$320*	YES
	13	Driving Privelege Protection - Legal services for a plan member in the defense of a traffic offense where conviction of the offense will directly result in the suspension or revocation of your driving privileges	PAID IN FULL	\$480*	Paid in Full	\$480*	YES
	13a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
13b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES	

ATTACHMENT 7
BENEFITS AND COVERAGE AMOUNTS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

Legal Service		Current Network Attorney RATE	Current Non-Network Attorney (Indemnity Benefit) RATE	Network Attorney RATE	Non-Network Attorney (Indemnity Benefit) RATE	Proposal MEETS Current Coverage Limitation (YES) or EXCEEDS (EXPLAIN)
* Non-Network Attorney Indemnity Benefits are up to the stated amount ** Trial Indemnity Benefits are (\$300 per 1/2 day of Trial time) up to the stated amount *** Trial Indemnity Benefits are (\$400 per 1/2 day of Trial time) up to the stated amount						
14	Driving Privilege Restoration - Legal services for a plan member in an administrative proceeding for the restoration of suspended or revoked driving privileges of a plan member	PAID IN FULL	\$240*	Paid in Full	\$240*	YES
15	Estate Administration & Estate Closing (Probate) - 9 hours Legal services for a plan member in administering an estate where you have been named the executor	PAID IN FULL	\$720*	Paid in Full	\$720*	YES Up to 9 paid-in-full hours per covered event; Reduced Fee Benefit available from a Network Attorney beyond 9 hours
16	Foreclosure - Legal services for a plan member regarding written notice of a foreclosure related to your primary residence	PAID IN FULL	\$480*	Paid in Full	\$480*	YES
16a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
16b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
17	Defense of Garnishment - Legal services for a plan member in a legal dispute for a garnishment against you to collect judgment related to goods or services. <i>(Exclusion #3 as it relates to post judgement garnishment is waived for this benefit)</i>	PAID IN FULL	\$480*	Paid in Full	\$480*	YES
17a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
17b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
18	Uncontested Guardianship/Conservatorship - Legal services in an uncontested Guardianship/Conservatorship for a plan member to appoint or be appointed as a Guardian/Conservator	PAID IN FULL	\$480*	Paid in Full	\$480*	YES

ATTACHMENT 7
BENEFITS AND COVERAGE AMOUNTS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

Legal Service		Current Network Attorney RATE	Current Non-Network Attorney (Indemnity Benefit) RATE	Network Attorney RATE	Non-Network Attorney (Indemnity Benefit) RATE	Proposal MEETS Current Coverage Limitation (YES) or EXCEEDS (EXPLAIN)
* Non-Network Attorney Indemnity Benefits are up to the stated amount ** Trial Indemnity Benefits are (\$300 per 1/2 day of Trial time) up to the stated amount *** Trial Indemnity Benefits are (\$400 per 1/2 day of Trial time) up to the stated amount						
Item #						
19	Contested Guardianship/Conservatorship - Legal services in a contested Guardianship/Conservatorship for a plan member to appoint or be appointed as a Guardian/Conservator	PAID IN FULL	\$720*	Paid in Full	\$720*	YES
19a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
19b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
20	Habeas Corpus Proceedings - Legal services for a plan member in habeas corpus proceedings	PAID IN FULL	\$480*	Paid in Full	\$480*	YES
20a	Trial for (3) days or less	PAID IN FULL	\$1,800***	Paid in Full	\$1,800***	YES
20b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
21	Mental Incompetency or Infirmary Proceedings - Legal services for a plan member in defense of mental incompetency or infirmity proceedings	PAID IN FULL	\$960*	Paid in Full	\$960*	YES
21a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
21b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
22	IRS Collection Defense - Legal services for a plan member in defense against collection actions by the Internal Revenue Service (IRS) related to errors on your personal tax return where the initial written notice is received after your effective date	PAID IN FULL	\$480*	Paid in Full	\$480*	YES
22a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
22b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
23	IRS Audit Protection - Legal services for a plan member involving Internal Revenue Service (IRS) audits related to your personal tax return where the initial written notice is received after your effective date.	PAID IN FULL	\$480*	Paid in Full	\$480*	YES
23a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
23b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES

Exhibit C

ATTACHMENT 7
BENEFITS AND COVERAGE AMOUNTS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

	Legal Service	Current Network Attorney RATE	Current Non-Network Attorney (Indemnity Benefit) RATE	Network Attorney RATE	Non-Network Attorney (Indemnity Benefit) RATE	Proposal MEETS Current Coverage Limitation (YES) or EXCEEDS (EXPLAIN)	
Item #	* Non-Network Attorney Indemnity Benefits are up to the stated amount						
	** Trial Indemnity Benefits are (\$300 per 1/2 day of Trial time) up to the stated amount						
	*** Trial Indemnity Benefits are (\$400 per 1/2 day of Trial time) up to the stated amount						
	24	Juvenile Court - Legal services for a plan member child charged with a crime (except those involving traffic matters) when the court proceedings are held in juvenile court. If the matter is removed from juvenile court, coverage under this benefit will cease as of the date of the removal.	PAID IN FULL	\$480*	Paid in Full	\$480*	YES
	24a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
	24b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
	25	Minor Traffic - Broad (excluding DWI related) Legal services for a plan member in the defense of a traffic offense, the conviction of which would not result in suspension or revocation of your driving privileges. (Does not include driving while impaired or under the influence of drugs or alcohol or any non-moving offense)	PAID IN FULL	\$240*	Paid in Full	\$240*	YES
	26	Name Change - Legal services for a plan member to legally change his/her name	PAID IN FULL	\$240*	Paid in Full	\$240*	YES
	27	Neighbor Disputes - Legal services for a plan member with a neighbor as a plaintiff or defendant in a dispute related to your primary residence, including boundary or property title disputes	PAID IN FULL	\$720*	Paid in Full	\$720*	YES
	27a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
	27b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
	28	Parental Responsibilities - Legal services for a plan member in juvenile court proceedings (except those involving traffic matters) where a state has brought an action regarding your parental responsibilities for a plan member's child	PAID IN FULL	\$480*	Paid in Full	\$480*	YES
	28a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
	28b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES

ATTACHMENT 7
BENEFITS AND COVERAGE AMOUNTS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

Legal Service		Current Network Attorney RATE	Current Non-Network Attorney (Indemnity Benefit) RATE	Network Attorney RATE	Non-Network Attorney (Indemnity Benefit) RATE	Proposal MEETS Current Coverage Limitation (YES) or EXCEEDS (EXPLAIN)
* Non-Network Attorney Indemnity Benefits are up to the stated amount ** Trial Indemnity Benefits are (\$300 per 1/2 day of Trial time) up to the stated amount *** Trial Indemnity Benefits are (\$400 per 1/2 day of Trial time) up to the stated amount						
Item #						
29	Personal Property Protection - Legal services for a plan member as a plaintiff or defendant regarding contracts or obligations for the transfer of your personal property or your personal property rights.	PAID IN FULL	\$320*	Paid in Full	\$320*	YES
29a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
29b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
30	Uncontested Post Decree Defense - Legal services for a plan member for an uncontested motion brought against you to modify a final decree for child support, child custody, child visitation, or alimony	PAID IN FULL	\$320*	Paid in Full	\$320*	YES
31	Contested Post Decree Defense - (8 hours) Legal services for a plan member for a contested motion brought against you to modify a final decree for child support, child custody, child visitation, or alimony	PAID IN FULL	\$640*	Paid in Full	\$640*	YES Up to 8 paid-in-full hours per covered event; Reduced Fee Benefit available from a Network Attorney beyond 8 hours
32	Uncontested Post Decree Enforcement - Legal services for a plan member for an uncontested motion brought by you or against you to enforce a final decree for child support, child custody, child visitation, or alimony	PAID IN FULL	\$320*	Paid in Full	\$320*	YES
33	Contested Post Decree Enforcement - (8 hours) Legal services for a plan member for an contested motion brought by you or against you to enforce a final decree for child support, child custody, child visitation, or alimony	PAID IN FULL	\$640*	Paid in Full	\$640*	YES Up to 8 paid-in-full hours per covered event; Reduced Fee Benefit available from a Network Attorney beyond 8 hours
34	Postnuptial Agreements - Legal services for the named plan member for the preparation of a postnuptial agreement	PAID IN FULL	\$320*	Paid in Full	\$320*	YES

ATTACHMENT 7
BENEFITS AND COVERAGE AMOUNTS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

	Legal Service	Current Network Attorney RATE	Current Non-Network Attorney (Indemnity Benefit) RATE	Network Attorney RATE	Non-Network Attorney (Indemnity Benefit) RATE	Proposal MEETS Current Coverage Limitation (YES) or EXCEEDS (EXPLAIN)
Item #	* Non-Network Attorney Indemnity Benefits are up to the stated amount ** Trial Indemnity Benefits are (\$300 per 1/2 day of Trial time) up to the stated amount *** Trial Indemnity Benefits are (\$400 per 1/2 day of Trial time) up to the stated amount					
35	Prenuptial Agreements - Legal services for a plan member for the preparation of a premarital or antenuptial agreement	PAID IN FULL	\$320*	Paid in Full	\$320*	YES
36	Refinancing - Primary Residence Advice and review of relevant documents regarding refinancing of your primary residence	PAID IN FULL	\$160*	Paid in Full	\$160*	YES
37	Purchase of Real Estate - Legal services for a plan member for the purchase of your primary residence for the review and preparation of documents including contract for purchase and attendance at closing	PAID IN FULL	\$320*	Paid in Full	\$320*	YES
38	Real Estate Disputes - Legal services for a plan member as a plaintiff or defendant in a dispute regarding contracts or obligations for the construction, purchase or sale of your primary residence	PAID IN FULL	\$1,200*	Paid in Full	\$1,200*	YES
38a	Trial for (3) days or less	PAID IN FULL	\$1,800*	Paid in Full	\$1,800*	YES
38b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
39	Sale of Real Estate - Legal services for a plan member for the sale of your primary residence for the review and preparation of documents including the contract for sale and attendance at closing	PAID IN FULL	\$320*	Paid in Full	\$320*	YES
40	Small Claims Court - Legal services for a plan member to obtain advice and counseling to bring a claim in Small Claims Court (or similar court of limited civil jurisdiction)	PAID IN FULL	\$320*	Paid in Full	\$320*	YES

ATTACHMENT 7
BENEFITS AND COVERAGE AMOUNTS
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

Legal Service		Current Network Attorney RATE	Current Non-Network Attorney (Indemnity Benefit) RATE	Network Attorney RATE	Non-Network Attorney (Indemnity Benefit) RATE	Proposal MEETS Current Coverage Limitation (YES) or EXCEEDS (EXPLAIN)
* Non-Network Attorney Indemnity Benefits are up to the stated amount ** Trial Indemnity Benefits are (\$300 per 1/2 day of Trial time) up to the stated amount *** Trial Indemnity Benefits are (\$400 per 1/2 day of Trial time) up to the stated amount						
Item #						
41	Legal services for a plan member to defend an action in Small Claims Court (or similar court of limited civil jurisdiction) including representation in court where allowed by law	PAID IN FULL	\$400*	Paid in Full	\$400*	YES
42	Tenant Matters - Legal services for a plan member as a plaintiff or defendant with your landlord as tenant of your primary residence, including but not limited to, eviction and security deposit disputes	PAID IN FULL	\$320*	Paid in Full	\$320*	YES
42a	Trial for (3) days or less	PAID IN FULL	\$1,800**	Paid in Full	\$1,800**	YES
42b	Trial starting on day (4) until completion	PAID IN FULL	\$100,000***	Paid in Full	\$100,000***	YES
43	Wills and Durable Power of Attorney - Individual will or spousal will(s). (Does not include any tax planning services done in connection with the will)	PAID IN FULL	\$320 single document, \$400 spousal document	Paid in Full	\$320 single document, \$400 spousal document	YES
43a	Codicil (an amendment to a will)	PAID IN FULL	\$40 single document, \$80 spousal documents	Paid in Full	\$40 single document, \$80 spousal documents	YES
43b	Living Will / Health Care Directive	PAID IN FULL	\$40 single document, \$80 spousal documents	Paid in Full	\$40 single document, \$80 spousal documents	YES
43c	Durable / Financial Power of Attorney	PAID IN FULL	\$40 single document, \$80 spousal documents	Paid in Full	\$40 single document, \$80 spousal documents	YES

ATTACHMENT 8
SCOPE OF WORK RESPONSE FORM
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-paid Legal Plan

COMPANY NAME: ARAG Services, LLC

Section 0500 - 4.0 Scope of Work		
General Requirements	Agree as Specified YES/NO or EXCEEDS	Explanation/Comments
4.1 Contractor shall administer the pre-paid legal plan in strict compliance with applicable federal, state and local laws.	YES	
4.2 Contractor shall monitor, on an ongoing basis, all related federal and state legislative activity and inform the City of all bills under consideration that could potentially affect the City's ability to provide Pre-Paid Legal benefits to Covered Persons.	YES	
4.3 Contractor shall have and provide a Quality Control/Assurance Plan.	YES	
4.4 Contractor shall have and provide a plan to manage information that is proprietary to the eligible or enrolled employees and their dependents (Confidential Information), such as names, addresses, gender and identification numbers.	YES	
Plan Design	Agree as Specified YES/NO or EXCEEDS	Explanation/Comments
4.5 Contractor shall, at a minimum, offer the same Pre-Paid Legal Plan benefits in accordance with the current legal plan (Exhibit 2) and shall be available, at a minimum, one time per calendar year per individual.	EXCEEDS	There are no limits on how many times a benefit can be used per calendar year per individual in our offer that matches the current legal plan. The Caregiving Services – Annual Check Up coverage is one of the optional services being offered (see Attachment 10). This provides legal services for a member and a parent/grandparent to meet with an attorney on an annual basis. This annual meeting is to discuss the legal needs of the parent/grandparent and any changes in his or her situation and potential legal implications; it can be used once per family per certificate year.
4.6 The proposed plan shall not allow Covered Person's or Covered Person's dependents to use the services available through a contracted firm providing the Group Legal Plan to take legal action against the City of Austin.	YES	
4.7 The plan may not include provisions, which might exclude certain Covered Person's from coverage for any reason.	YES	

ATTACHMENT 8
SCOPE OF WORK RESPONSE FORM
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-paid Legal Plan

Eligibility	Agree as Specified YES/NO or EXCEEDS	Explanation/Comments
4.8 The City determines eligibility and the Contractor agrees to abide by the City's policies and procedures regarding eligibility and effective dates for all Covered Persons. See Exhibit 3 – 2018 Employee Benefits Guide for eligibility information.	YES	
4.9 A Conversion policy shall be available to all Covered Persons. If a Covered Person terminates employment, he/she shall be entitled to convert coverage to an individual policy. This conversion right shall also apply to dependents that cease to be insured because the Covered Person has terminated, retired, died, or is no longer eligible. The City shall not be charged for conversion fees.	EXCEEDS	In addition, ARAG waives the premium for enrolled employees called away on active military duty. Also, if a named insured dies, his or her insured dependents can continue to rely on our coverage — without paying a premium — for one year after the named insured's death, or until the City of Austin's policy expires, whichever is earlier; the dependents are eligible for a conversion policy when their group policy ends.
4.10 Coverage shall include married and unmarried dependent children and dependent grandchildren up to age twenty-six (26) that the City determines eligible.	YES	
4.11 Coverage shall include domestic partners and children of domestic partners that the City determines eligible.	YES	
4.12 Contractor shall be able to assign an identifier other than the Covered Persons' social security number.	YES	
4.13 Contractor shall be able to accept enrollment information electronically every pay period in the 834-file layout format required by HIPAA. The Contractor shall work with City's Third Party Administrator (TPA) vendor regarding file layout and transmittal of file. Error reports shall be provided to the City and its TPA vendor.	YES	
4.14 Contractor shall maintain eligibility and claims records/history on each Covered Person. Electronic and/or paper copies of enrollment/change forms should be maintained and made available to the City upon request.	YES	

ATTACHMENT 8
SCOPE OF WORK RESPONSE FORM
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-paid Legal Plan

Transition and Implementation Timeline	YES	
4.15 Within 30 days of contract award, the Contractor shall meet with the City to finalize the plan design, administrative procedures, and expectations. Within thirty (30) days of the meeting, the Contractor shall provide the City with three (3) hardcopies of an administrative manual detailing the plan design, administrative procedures, and expectations as agreed upon during the meeting.	YES	
4.16 Contractor shall provide training and education sessions for City staff (approximately 10 employees) concerning all facets of program administration within the first thirty (30) days of contract execution.	YES	
4.17 Contractor shall prepare for and attend all employer-requested meetings and presentations. This includes approximately 90 presentations during the annual Open Enrollment period. Open Enrollment occurs during mid-October through mid-November of each year.	YES	
4.18 Contractor shall file and obtain approval by the Texas Department of Insurance for any agreed upon modifications by September 17, 2018.	YES	
4.19 Contractor shall prepare and deliver approximately 6,000 Open Enrollment materials, as specified by the City, by the second Friday of September for each plan year. The City prefers that the enrollment materials be printed on recycled paper in accordance with EPA guidelines.	YES	
4.20 Customer Service line shall be operational by 7:30 a.m., Monday, October 15, 2018.	YES	
4.21 Open Enrollment eligibility files shall be loaded in the Contractors system by November 30, 2018. Contractor shall work with the City's TPA to obtain current eligibility data to upload in Contractor's eligibility system and be operational January 1, 2019.	YES	
4.22 Annual ID cards, if applicable, shall be received by Covered Persons on or before December 31st of each year.	YES	Assumes ARAG's receipt of City of Austin's enrollment file by December 10 of each year.
4.23 Contractor shall be fully operational, including ability to verify eligibility; verify benefits; and process claims, as of 12:01 a.m. on January 1, 2019.	YES	

ATTACHMENT 8
SCOPE OF WORK RESPONSE FORM
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-paid Legal Plan

4.24 The Contractor shall meet the same timeline requirements for each annual benefit period.	YES	
Communication	Agree as Specified YES/NO or EXCEEDS	Explanation/Comments
4.25 Contractor shall provide all required written employee communication materials including, but not limited to: enrollment materials, certificates of coverage, provider directories, and member identification cards. All materials and communications shall be approved by City staff prior to distribution and formatted in easy to understand language. The cost of these materials shall be included in proposed rates.	YES	
4.26 Contractor shall mail ID cards and Certificates of Coverage to covered persons home address. This includes open enrollment, replacement cards, and cards for new enrollees throughout the plan year. All costs, including postage, shall be included in the Proposer's proposed rates.	YES	ARAG mails two identification cards and offers an online Certificate of Coverage in a PDF format to access and print. We will mail a Certificate of Coverage to a member upon request.
4.27 Contractor shall, upon request, provide the City and employees with hardcopy directories of Network Providers. Telephonic and Internet access to network providers shall be available in addition to the directories.	EXCEEDS	In addition to providing hard copy Network directories upon request and access to online directories that are updated daily, ARAG members can access a list of current Network Attorneys using our mobile app. This app now provides ratings and reviews (when available) of our Network Attorneys based on information received from member survey responses. This function will also be added to our website Attorney Finder later this year. Members can also contact Customer Care by phone for information about Network Attorneys.
System, Reporting, and Financial Analysis	Agree as Specified YES/NO or EXCEEDS	Explanation/Comments
4.28 Contractor shall have a disaster recovery program in place to ensure the integrity of data in case of a disaster.	YES	
4.29 Contractor shall provide monthly eligibility and utilization reports and other reports as required by the City by the 10th business day of the following month.	YES	If awarded, ARAG will work with the City of Austin to determine the most appropriate reports to create value for the relationship.
4.30 Contractor shall provide quarterly and annual reports within sixty (60) days after the end of the reporting period.	YES	If awarded, ARAG will work with the City of Austin to determine the most appropriate reports to create value to the relationship.

ATTACHMENT 8
SCOPE OF WORK RESPONSE FORM
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-paid Legal Plan

4.31 Contractor shall be able to provide at a minimum, similar reports as shown in Exhibit 4, ARAG Utilization Report (2013 - 2016).	YES	
Rates and Premium	Agree as Specified YES/NO or EXCEEDS	Explanation/Comments
4.32 Contractor shall provide rates for two categories: Employee Only, Employee and Family.	YES	
4.33 Contractor shall provide rates based on the Covered Person paying the full cost.	YES	
4.34 Contractor shall guarantee rates for the entire sixty (60) month term regardless of actual enrollment.	YES	
4.35 Contractor agrees that all costs for requirements listed in this RFP, shall be included as part of the Contractor's basic rate; and inclusive of labor, materials, supplies, printing, postage, travel, and all costs and fees including administrative burden for providing the Pre-paid Legal program.	YES	
4.36 Contractor shall not change benefits or rates for the term of this contract without prior City approval. Any changes recommended for any renewal period shall be approved and agreed upon in advance and in writing by the City.	YES	
4.37 City will calculate monthly fees owed to the Contractor for Covered Person's using enrollment information received from the City's TPA that includes the first day of each month. Contractor shall honor the enrollment dates of employees who enroll after the first day of each month. Contractor shall be paid for these Covered Persons beginning the following month.	YES	
4.38 The City's payment for all Covered Persons will be made to the Contractor by check no later than the last day of the following month for which payment is being made. The City's payment will be considered made on the payment postmark date.	YES	

ATTACHMENT 8
SCOPE OF WORK RESPONSE FORM
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-paid Legal Plan

4.39 Contractor is responsible for reconciling the account monthly and notifying the City of any questions or discrepancies within 15 days of receipt of payment. If the Contractor fails to remain current with the monthly reconciliation report the Contractor shall assume the liability for lost revenue.	YES	
Customer Service	Agree as Specified YES/NO or EXCEEDS	Explanation/Comments
4.40 Contractor shall provide a toll-free number and a text telephone line.	YES	
4.41 Contractor shall have customer service staff available to answer questions Monday through Friday from 7:30 a.m. to 5:00 p.m. Central Time.	EXCEEDS	ARAG Customer Services hours are 7 a.m. to 7 p.m., Central time, Monday through Friday.
4.42 Contractor shall answer customer service calls on average within 30 seconds.	YES	
4.43 The City requires that the Contractor respond to customer service calls within 24 hours of receipt of a call, and customer complaints regarding the plan be handled and resolved within 48 hours of receipt of a complaint. The City shall be notified if additional time is required to resolve an inquiry/complaint.	YES	
4.44 Contactor's customer service should include, at a minimum; verification of eligibility and benefits; claims inquires; problem resolution; plan education; and provider information.	YES	
Business Organization	Agree as Specified YES/NO or EXCEEDS	Explanation/Comments
4.45 Contractor shall have a minimum of one (1) year public sector experience similar in size and scope to the City of Austin and currently have public sector clients.	EXCEEDS	Since our beginning, ARAG has worked with the public sector and large group employers and considers both to be core segments of our business. ARAG has been the legal provider for City of Austin since 2013. We currently provides legal plans to more than 100 public sector employers including national, state, and local government organizations. We currently serve 10 public sector clients that each have more than 9,500 eligible employees.
4.46 Contractor shall be registered in the State of Texas. Provide a copy of your Texas registration with your offer.	YES	See Appendix E.

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

NAME OF COMPANY: ARAG Services, LLC

Proposer must match current plan design. Optional services may be considered by the City of Austin.

Additional Services Proposed	Cost of Service
<ul style="list-style-type: none"> • Building Codes • Caregiving Services - Advice • Caregiving Services - Annual Check Up • Caregiving Services • Uncontested Child Custody/Child Support Agreement • Contested Child Custody/Child Support Agreement • Easement • Elder Law • General In Office - 4 hours • Home Equity Loan - Primary Residence • Insurance Disputes • Uncontested Post Decree Modification • Contested Post Decree Modification • Property Tax - Primary Residence • Restraining Order - Named Plan Member • Restraining Order - Plan Member • School Administrative Hearings • Social Security/Veterans/Medicare • Zoning and Variances <p>We're also offering General In Office Services - 4 hours, which covers legal services for any noncovered service, as long as it's not excluded.</p> <p>Details about each coverage follows.</p>	<p>Cost for the optional coverages listed: Employees only: \$1.54/month; \$18.48/annually Family: \$2.08/month; \$24.96/annually</p> <p>Sheet 2 (see Rate Sheet) includes the total rate for a plan that includes City of Austin's current plan design and the additional proposed services listed here.</p>

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Building Codes Legal services for a plan member in an administrative action for permit or code violations relating to the renovation and/or improvement of your existing primary residence.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$400* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	
<p>Caregiving Services - Advice Telephone access for you to obtain legal advice and consultation on how the law relates to your parents/grandparents legal matters and which actions may be taken.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: N/A</p>	
<p>Caregiving Services - Annual Check Up Legal services for you and your parent/grandparent to meet with an attorney on an annual basis. This annual meeting is to discuss the legal needs of your parent/grandparent and discuss any changes in their situation and potential legal implications. This benefit is limited to one usage per family per certificate year.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$80*</p>	

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Caregiving Services</p> <p><i>Reduced Fee Services</i> - Should your parents/grandparents legal matter require legal representation, Network Attorneys provide reduced fee services of at least 25% off their normal rate for most legal matters. Payment of the attorney fees is handled directly between the parent/grandparent and the Reduced Fee Network Attorney. Access to a Reduced Fee Network Attorney is subject to availability. You are encouraged to contact ARAG to determine proximity to a Reduced Fee Network Attorney within legal practice areas.</p> <p>Non-Network Attorney (Indemnity Benefit) Rate: N/A</p>	
<p><i>Caregiving Services, con't.</i></p> <p><i>Caregiver Support Services</i> - As a member, you have toll-free access to a Care Advocate who will:</p> <ul style="list-style-type: none"> • Answer your eldercare-related questions, assess eldercare need and help you develop a care plan. • Send you a customized information guide that contains lists of assisted living facilities, nursing homes or home health care agencies — including comparative quality-of-care ratings and reports on thousands of facilities and agencies — along with helpful eldercare information. • Give you access to the nation's most comprehensive eldercare database with more than 90,000 long term care providers. • Conduct searches to determine the availability and rates of assisted living facilities, nursing homes, home health care agencies and adult care providers. Advocate will negotiate discounts when available. <p>Plus, you will have access to the ElderAnswers Website which provides you online access to quality-of-care ratings and reports, direct access to the provider database, and a wide-range of eldercare information. As a member, you have access to a "go-to" guidebook providing you with the tools and resources needed to take a proactive approach in your caregiving role.</p>	

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Uncontested Child Custody/Child Support Agreement Legal services for a plan member for the creation of an initial uncontested child custody, child support, or visitation agreements. This benefit does not include the modification of current agreements.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$320*</p>	
<p>Contested Child Custody/Child Support Agreement - 8 hours Legal services for a plan member for the creation of an initial contested child custody, child support, or visitation agreements. This benefit does not include the modification of current agreements.</p> <p>In-Network Rate: Paid-in-Full up to 8 hours paid-in-full per covered event; Reduced Fee Benefit available from a Network Attorney beyond 8 hours Non-Network Attorney (Indemnity Benefit) Rate: \$640*</p>	
<p>Easement Legal services for a plan member in an administrative action regarding an easement on your primary residence.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$400* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Elder Law</p> <ul style="list-style-type: none"> • Initial advice for a plan member on the impact of your parent's/grandparent's personal legal matter on you. • Legal services for a plan member for the preparation and review of a deed where you are the grantee. • Legal services for a plan member for the preparation and review of a promissory note where you are the payee. • Legal services for a plan member for the review of your parent's/grandparent's personal legal documents, including estate planning documents where you have been named as an agent or executor/personal representative. <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate:</p> <ul style="list-style-type: none"> • \$25/initial advice • \$40 per document 	
<p>General In Office Services - 4 Hours Covers legal services that are not otherwise covered or excluded by your ARAG plan.</p> <p>In-Network Rate: Paid-in-Full up to 4 hours per family per certificate year Non-Network Attorney (Indemnity Benefit) Rate: \$320</p> <p>Note: Here are a few examples of how members could use the 4-hour benefit:</p> <ul style="list-style-type: none"> • Trusts • Expungement • Protection of Inheritance Rights • Immigration • DWI 	
<p>Home Equity Loan - Primary Residence Legal services for a plan member for the preparation and review of home equity loans for your primary residence.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$160*</p>	

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Insurance Disputes Legal services for a plan member as a plaintiff or defendant relating to disputes with your auto, home and renters insurance carrier.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$800* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	
<p>Uncontested Post Decree Modification Legal services for a plan member for an uncontested motion brought by you to modify a final decree for child custody or child visitation.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$320*</p>	
<p>Contested Post Decree Modification - 8 hours Legal services for a plan member for a contested motion brought by you to modify a final decree for child custody or child visitation.</p> <p>In-Network: Up to 8 hours paid-in-full per covered event; Reduced Fee Benefit available from a Network Attorney beyond 8 hours Non-Network Attorney (Indemnity Benefit) Rate: \$640*</p>	
<p>Property Tax - Primary Residence Legal services for a plan member in an administrative action brought by you to reduce the property tax assessment on your primary residence.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$400* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	

ATTACHMENT 10
ADDITIONAL SERVICES
Request for Proposal Number: RFP 5800 KDS3002
Group Pre-Paid Legal Plan

<p>Restraining Order - Named Plan Member Legal services for the named plan member to obtain a restraining order.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$320*</p>	
<p>Restraining Order - Plan Member Legal services for the named plan member to obtain a restraining order when the opposing party is not a plan member under the same Certificate.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$320*</p>	
<p>School Administrative Hearings Legal services for a plan member in an administrative public or private formal school proceeding related to primary and secondary education regarding disabilities, special education and student policy violations.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$480* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	
<p>Social Security/Veterans/Medicare Legal services for a plan member in an administrative legal dispute arising out of Social Security, Veterans, Medicare or Medicaid benefits.</p> <p>In-Network Rate: Paid-in-Full Non-Network Attorney (Indemnity Benefit) Rate: \$400* Trial for 3 days or less: \$1,800** Trial starting on day 4 until completion: \$100,000***</p>	

ADDITIONAL SERVICES

Request for Proposal Number: RFP 5800 KDS3002

[illegible]

TEXAS DEPARTMENT OF LICENSING AND REGULATION

Exhibit CO. Box 12157
Austin, Texas 78711-2157
1-800-803-9202 (512) 463-6599
<http://www.tdlr.texas.gov>



If you cut around the border of the registration certificate
it will fit in a standard 5" x 7" frame.

The license certificate at the bottom
of this page should be prominently
displayed at your primary business
location.

ARAG SERVICES LLC
400 LOCUST ST STE 480
DES MOINES IA 50309-2352

Mike Arismendez
Chair

Thomas F. Butler
Vice Chair



Helen Callier
Rick Figueroa
Catherine Rodewald
Ravi Shah
Deborah A. Yurco

For-Profit Legal Service Contract Company

ARAG SERVICES LLC

Registration Number: 20008

The business named above is regulated by the Texas Department of Licensing and Regulation
Registration Expires: JUNE 20 2018

Brian E. Francis
Executive Director

GOAL DETERMINATION REQUEST FORM

Buyer Name/Phone	Kim Scannell/42261	PM Name/Phone	Lisa Herrera/43316
Sponsor/User Dept.	Human Resources	Sponsor Name/Phone	Alex Braden/42386
Solicitation No	RFP KDS3002	Project Name	Group Pre-paid Legal Plan
Contract Amount	\$4,000,000	Ad Date (if applicable)	5/7/2018
Procurement Type			
<input type="checkbox"/> AD – CSP <input type="checkbox"/> AD – Design Build Op Maint <input type="checkbox"/> IFB – IDIQ <input checked="" type="checkbox"/> Nonprofessional Services <input type="checkbox"/> Critical Business Need <input type="checkbox"/> Sole Source* <input type="checkbox"/> AD – CM@R <input type="checkbox"/> AD – JOC <input type="checkbox"/> PS – Project Specific <input type="checkbox"/> Commodities/Goods <input type="checkbox"/> Interlocal Agreement <input type="checkbox"/> AD – Design Build <input type="checkbox"/> IFB – Construction <input type="checkbox"/> PS – Rotation List <input type="checkbox"/> Cooperative Agreement <input type="checkbox"/> Ratification			
Provide Project Description**			
Employee benefit - legal services.			
Project History: Was a solicitation previously issued; if so were goals established? Were subcontractors/subconsultants utilized? Include prior Solicitation No.			
Previous solicitation RFP 5800 KDS0505 was cancelled. no subcontracting opportunities were identified, therefore, NO goals were established.			
List the scopes of work (commodity codes) for this project. (Attach commodity breakdown by percentage; eCAPRIS printout acceptable)			
96149 - Legal services, Attorneys			
Kim Scannell		4/30/2018	
Buyer Confirmation		Date	

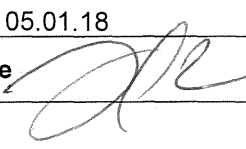
* Sole Source must include Certificate of Exemption

**Project Description not required for Sole Source

FOR SMBR USE ONLY			
Date Received	4/30/2018	Date Assigned to BDC	5/1/2018
In accordance with Chapter2-9(A-D)-19 of the Austin City Code, SMBR makes the following determination:			
<input type="checkbox"/> Goals	% MBE	% WBE	
<input type="checkbox"/> Subgoals	% African American	% Hispanic	
	% Asian/Native American	% WBE	
<input type="checkbox"/> Exempt from MBE/WBE Procurement Program		<input checked="" type="checkbox"/> No Goals	

GOAL DETERMINATION REQUEST FORM

This determination is based upon the following:	
<input type="checkbox"/> Insufficient availability of M/WBEs <input type="checkbox"/> Insufficient subcontracting opportunities <input type="checkbox"/> Sufficient availability of M/WBEs <input type="checkbox"/> Sole Source	<input type="checkbox"/> No availability of M/WBEs <input checked="" type="checkbox"/> No subcontracting opportunities <input type="checkbox"/> Sufficient subcontracting opportunities <input type="checkbox"/> Other
<i>If Other was selected, provide reasoning:</i>	
MBE/WBE/DBE Availability	
None	
Subcontracting Opportunities Identified	

SMBR Staff	Signature/ Date
John Wesley Smith 05.01.18	<i>John Wesley Smith</i>
SMBR Director or Designee 	Date 5-1-18
Returned to/ Date:	